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WASHINGTON POST
29 APRIL 1983

STAT

AT WORK

Keeping the Lid on Tight At the 'No-Profile Agency'

By Michael Isikoff
Washington Post Staff Writer

The first day J. William Doswell reported for work at the CIA, Director William J. Casey bluntly spelled out his mission.

"Billy," he said, "we're going to be a no-profile agency."

Nearly two years later, the chief of the agency's Office of External Affairs acknowledges he hasn't succeeded, but not because he hasn't tried. The CIA is once again the focus of public controversy, sparked by news reports that it is conducting a covert military operation to overthrow the Sandinista regime in Nicaragua.

At the United Nations, the Cuban ambassador accuses the agency of plotting a foreign invasion much like the Bay of Pigs. On Capitol Hill, members of Congress say the CIA has overstepped its bounds and is violating the law.

But at the CIA's headquarters on 219 secluded acres just off the George Washington Parkway in Langley, Doswell works hard making sure the agency says as little as possible.

As head of the external affairs office, the congenial former statehouse lobbyist from Richmond oversees CIA congressional affairs and relations with the academic community. He is also the chief CIA aide in charge of public information. But he noted, "We're not here to serve the public."

What Doswell does serve, he says, is the "public interest," and to the CIA that means keeping an increasingly tight lid on public access. Each week, Doswell's 18-member public affairs staff logs about 385 telephone calls from the news media and 40 letters from the public.

Under Doswell's orders, the inquiries are handled courteously and efficiently, including the inevitable queries about unidentified flying objects and complaints from citizens that the CIA has bugged their brains. "Absolutely every phone call is returned and every piece of mail is answered," said Doswell. "But we may not tell you anything. Or we may not tell you what you want to hear. . . . As a matter of fact, our most-often-used phrase is 'no comment.'"

To Doswell, it is all part of a broader Reagan

administration effort to limit the flow of public information on national security issues substantially. Doswell has been working to draft legislation exempting new areas of CIA activity from coverage under the Freedom of Information Act.

"The administration is engaged in a concerted campaign to increase government secrecy," said Jerry Berman, legislative counsel for the American Civil Liberties Union, who sees the CIA's efforts as part of the pattern.

The agency wasn't always buttoned up so tight. Six years ago, with the CIA reeling from disclosures about its attempts to assassinate foreign leaders and overthrow hostile governments, then-director Adm. Stansfield Turner asked Herbert E. Hetu, his director of public affairs, to map out a public relations campaign to improve the CIA's image.

Hetu, a former Navy captain, made CIA officials available for news background briefings. Organizations such as college alumni groups were brought in for lectures in the agency's bubble-shaped auditorium. There was a plan for Saturday public tours, although this was called off when the CIA concluded that protecting agency secrets would be a logistical nightmare. "We wanted to lift the mystique about the agency," recalled Hetu, who now runs a Washington public relations firm. "We had a mandate to open the agency up and let people know what was going on."

But Casey and Doswell quickly pulled the plug on Hetu's PR offensive. Hetu's Office of Public Affairs was abolished, its staff reduced by one-third and its work assigned to Doswell's section. Visits by outside groups were halted.

"It was hard for me to justify having the Rockville XYZ Rotary Club come into the CIA," said Doswell. "I don't see how that would benefit the agency." The tight-lipped approach is a change for Doswell, 56, a native Virginian who spent most of his life as a small-town newspaper publisher and lobbyist in the state's General Assembly. Among state lawmakers he was known as a charming, self-effacing southern gentleman who managed to work legislative

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WASHINGTON TIMES
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COMMENTARY

A beleaguered Reagan on Central America

CORD MEYER

On the vexing issue of communist expansion into Central America, the Reagan administration first blew hot with Alexander Haig's fulminations about "going to the source." When these threats disturbed Americans more than they intimidated Fidel Castro, White House staffers persuaded President Reagan to blow cold by taking the issue off the front burner.

While Assistant Secretary of State Thomas Enders was given policy control over a holding operation in El Salvador, the president maintained a low profile for some months in the hope the problem could be solved quietly. Instead, the domestic opponents of any kind of U.S. involvement used the White House's absence from the debate as an opportunity to mold American opinion, and the excesses of the right wing in El Salvador gave them plenty of ammunition. The presidential speech to both houses of Congress this week was a belated attempt to rebuild a national consensus on the need for action.

But it will take more than one eloquent speech on a single dramatic occasion to shift the direction of American public opinion. The fortuitous discovery of arms disguised as medicines on the Libyan planes bound for Nicaragua is helpful but not enough. As Castro has boasted, the outcome of the struggle in Central America is likely to be settled in the halls of the U.S. Congress, and there the tide is running against the president.

Part of the administration's problem in making its case has been the continuing conflict between the intelligence community's determination not to reveal sensitive sources and the desire of the policy advocates to surface the most conclusive possible evidence of Soviet-Cuban inter-

vention. For example, ex-Sen. Richard Stone, the administration's point man for publicity on Central America, has written CIA Director William Casey two urgent memoranda pleading for release of the definitive evidence of Cuban control of the Salvadoran guerrillas.

On balance, however, the intelli-

gence community has tended to win these battles, and policymakers complain that even the best intelligence no longer will be relevant if entire countries are lost because of a failure to use it in time to convince the skeptics. It has been particularly frustrating not to be able to employ irrefutable proof of Cuban control against the naive contention that the Salvadoran guerrillas are indigenous reformers.

The administration is solidly united on the strategic necessity of providing the Salvadoran government with enough military and economic aid to prevent a guerrilla victory and it has come around to

accepting the need for land reform and improved human rights performance.

But on the timing and scale of the current covert action program the CIA has been directed to mount in order to harass the Sandinista regime, there is growing division among the best-informed experts in the administration. As one put it starkly to this reporter, "I'm afraid we are seeing in slow motion a replay of the Bay of Pigs."

When asked to explain so ominous a comparison, he ticked off the indicators of a potential disaster in the making. In the first place, he maintained that the guerrilla force

of Nicaraguan exiles that had moved across the border from Honduras into Nicaragua numbered about 6,500 men as compared with a force of 25,000 and a militia of 50,000. He argued that as at the Bay of Pigs the United States had again sent in a

boy to do a man's job and that it would have been better to hold this force in reserve as a threat while building up its strength to a more credible level.

Other critics of this overt-covert operation within the administration warn that it may be very difficult to maintain these guerrillas even as an harassing force inside Nicaragua. In view of the ambiguity of the Boland amendment, with its prohibition of any covert support that has as its purpose the overthrow of the Nicaraguan government, a confused and debilitating debate in the U.S. Congress can easily lead to a cutoff of all U.S. covert assistance. In its present mood, Congress is not likely to replace secret aid with open funding.

Although the Nicaraguan exile

guerrillas are receiving substantial local support from small farmers in the northern border area, there is no sign yet of any spontaneous mass defection to their cause. The main force of the Sandinista army has not yet been committed, and Castro is in a strong position to escalate if necessary with secret infiltration of elite Cuban troops, as he did in Angola.

The administration's internal critics of this operation fear that these risks were not sufficiently considered when it was undertaken. If it fails, not only the Nicaraguan exiles but the friendly Honduran government will be badly hurt.

A slow-motion Bay of Pigs of this dimension would finally alert both the Reagan administration and the country as a whole to the size of the problem we face in Central America and to the fact that it cannot be dealt with on the cheap. Years of sustained, consistent effort to build the political freedoms and the economic and military strength of our non-communist allies are going to be necessary.

COX NEWS SERVICE
28 April 1983

Bill Would Give Congress Power Over Secret Ops
By Bob Dart

APR. 1983 COX NEWS SERVICE

WASHINGTON - LEGISLATION WAS INTRODUCED IN THE HOUSE WEDNESDAY THAT WOULD GIVE CONGRESSIONAL INTELLIGENCE COMMITTEES THE POWER TO VETO COVERT ACTIVITIES.

WYCHE FOWLER, A GEORGIA DEMOCRAT AND CHAIRMAN OF THE HOUSE INTELLIGENCE OVERSIGHT SUBCOMMITTEE, INTRODUCED HIS BILL ONLY HOURS BEFORE PRESIDENT REAGAN WAS TO GO BEFORE CONGRESS AND A NATIONAL TV AUDIENCE TO SEEK SUPPORT FOR HIS CENTRAL AMERICA POLICIES.

THE CONTROVERSY SURROUNDING THE CIA'S SUPPORT OF COUNTER-REVOLUTIONARIES IN NICARAGUA RAISES QUESTIONS CONCERNING CONTROLS AND STANDARDS ON COVERT ACTIVITIES, FOWLER SAID, BUT HIS LEGISLATION "IS NOT PREDICATED ON ANY SPECIFIC COVERT ACTIVITY."

"I AM NOT TRYING TO ELIMINATE COVERT ACTIVITIES," FOWLER SAID AT A PRESS CONFERENCE IN HIS CAPITOL HILL OFFICE. "BUT I AM TRYING TO SET CLEAR STANDARDS AND TO BRING THE UNITED STATES CONGRESS IN AS A PARTICIPANT, AS A PARTNER, IN DECIDING WHEN OUR GOVERNMENT SHOULD USE COVERT MEANS TO ACHIEVE OUR OVERT FOREIGN POLICY GOALS."

HAD HIS LAW BEEN IN EFFECT EARLIER, FOWLER SAID, THE UNITED STATES "UNQUESTIONABLY" WOULD NOT HAVE UNDERTAKEN SOME OF THE CLANDESTINE VENTURES THAT IT DID IN PAST YEARS.

FOWLER'S LEGISLATION WOULD GIVE THE HOUSE AND SENATE INTELLIGENCE COMMITTEES, WHICH MEET IN SECRET, THE AUTHORITY TO PREVENT A COVERT ACTION PLANNED BY THE PRESIDENT. THE COMMITTEES WOULD HAVE TO CONCUR ON THE VETO AND ACT WITHIN 15 DAYS OF RECEIVING WORD FROM THE ADMINISTRATION ABOUT THE PROPOSED SECRET ACTION.

THE BILL WOULD ALSO SET SPECIFIC STANDARDS TO BE MET BEFORE A COVERT ACTIVITY COULD BE UNDERTAKEN.

CONTINUED

3 bills aim at curbing the CIA

House examining foreign activities

By Alfonso Chardy
 Inquirer Washington Bureau

WASHINGTON — Three separate efforts are under way in the House to curb the ability of the CIA to carry out or support covert actions against other governments.

President Reagan and CIA Director William J. Casey already are lobbying members of the House Select Committee on Intelligence against one of the proposals, a bill by committee chairman Edward P. Boland (D., Mass.) that would halt covert CIA support for guerrilla forces fighting against the leftist Sandinista government of Nicaragua.

Today the committee will take up the Boland bill, which also would establish an overt \$50 million fund to help friendly countries combat illegal arms trafficking for insurgent groups in Central America.

The legislation would also amend the congressional resolution governing the current budget. That resolution contains an amendment written by Boland and adopted in December that prohibits the use of federal funds for the purpose of overthrowing the Nicaraguan government or provoking a military confrontation between Nicaragua and neighboring Honduras. Some members of Congress have accused the Reagan administration of violating that restriction.

Boland's new measure would cut off all funds for the Nicaragua operation and give the CIA 45 days to phase out its support for the guerrilla group, the Nicaraguan Democratic Force.

Also, a proposal to give Congress veto power over all covert CIA operations was contained in legislation introduced yesterday by Rep. Wyche Fowler Jr. (D., Ga.). He is chairman of the Intelligence Committee's oversight and evaluation subcommittee and is one of those who accuses the administration of violating the Boland amendment.

And the House Foreign Affairs Committee will consider later this week or next week another related proposal. It is a bill offered by Rep. Michael D. Barnes (D., Md.), chairman of the subcommittee on western hemisphere affairs, which would allow covert operations only if approved by a joint resolution of Congress. The subcommittee approved the Barnes bill two weeks ago.

Fowler's proposal for congressional veto power represents the first attempt at major reform of congressional intelligence-oversight methods since 1974, when Congress — after an investigation that disclosed some CIA abuses — required the CIA to notify Congress of existing covert activities. Until then, U.S. intelligence branches essentially operated without congressional controls.

President Reagan, on the advice of Casey, summoned Boland and five other Intelligence Committee members to the White House on Tuesday and begged them not to shut down the Nicaraguan operation.

The covert action involves CIA and other U.S. support for armed Nicaraguan exiles of the Nicaraguan Democratic Force, who are already fighting within their country against the Sandinista government.

According to congressional sources, the intelligence panels authorized \$19.9 million for fiscal 1983 to finance the operation, including about \$3 million to fund, equip and train the insurgent force. Casey reportedly asked for more funds for fiscal 1984, which begins Oct. 1, perhaps up to \$25 million, to continue financing the operation.

The new CIA budget requests are being debated by the House and Senate panels, and members in both have drafted resolutions aimed at eliminating the funds because they feel that the CIA misled the committees and actively sought to overthrow the Sandinista government.

In announcing his bill to curb covert action, Fowler said yesterday on the House floor that the issue "raises again the question of the adequacy of the current system when and under what kind of controls covert actions should be undertaken."

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House Panel Votes \$30 Million Aid For El Salvador

Covert Assistance May Be Eliminated

By Patrick E. Tyler
Washington Post Staff Writer

The House Permanent Select Committee on Intelligence has called a meeting for Thursday morning to vote on legislation that would cut off funds for covert operations against the government of Nicaragua and set up an "overt" fund of \$50 million to fight gun-running to leftist insurgents in the region.

The legislation was drafted by committee Chairman Edward P. Boland (D-Mass.). But there is no certainty, according to committee sources, that the majority of Democratic members who, in secret deliberations, have supported ending the covert operations will prevail in the scheduled vote.

"It's going to be close, but we're probably going to cut it [the covert operations] off," one congressman said yesterday.

On the eve of President Reagan's speech to a joint session of Congress on Central America, the Senate yesterday called an unusual 90-minute secret session to hear a briefing by senior members of the Senate Select Committee on Intelligence on the covert operations in Central America. That committee also has discussed in closed deliberations new measures that would restrict current CIA activities in the region, Senate sources said.

The House legislation would amend the 1983 budget resolution to cut all funds for covert operations against Nicaragua in 1984, giving the CIA time to "extricate" itself from support of several thousand

thorize up to \$50 million annually for reconnaissance, border monitoring and other arms-interdiction activities that would not involve cross-border forays into Nicaragua to strike at arms supply and other targets, which currently is the mainstay of the CIA paramilitary program.

Under the draft bill, the House Foreign Affairs Committee would be given jurisdiction over "overt" arms-interdiction funds.

Reagan met with Boland yesterday and other committee members, including Rep. Wyche Fowler Jr. (D-Ga.), who chairs the subcommittee on intelligence oversight.

After the meeting, Boland said that the committee's concerns about covert operations in the region had gone beyond questions of compliance with the Boland amendment, which prohibits U.S. assistance "for the purpose" of overthrowing the Nicaraguan government.

"I think the question now is what we do with what's going on down there and whether or not the activities we're engaged in are in the interests of the United States" and whether the operations are "really undermining the efforts of this government to establish some credibility in the area."

Fowler said of the meeting with Reagan: "We're trying to make him understand that we support his objectives in Central America... but the question is whether the president's policy is causing us to gain or lose ground."

Fowler said he will introduce additional legislation today giving Congress over "risky" covert operations.

Boland said Reagan defended the

says the law was not broken," Boland said. "I think it's still an open question with some members who are concerned with it."

CIA Director William J. Casey, who sat in on the White House meeting, has been actively lobbying to save the CIA operation and is known to believe that the withdrawal of U.S. support for thousands of anti-Sandinista "contras" will be a devastating blow to U.S. prestige in Latin America.

Meanwhile, five House intelligence committee members returned yesterday from Central America, where they met with the presidents of El Salvador and Honduras as well as with senior officials of the Nicaraguan government.

Rep. C.W. (Bill) Young (R-Fla.) said the group had asked the CIA to arrange for a visit to a base camp for the covert operations, but was prevented from doing so by press coverage during their stay in the capital of Honduras. "We had asked to see a camp and they were prepared to take us to a clandestine, unacknowledged location," Young said, but a CIA official balked because a convoy of reporters was dogging the congressional delegation.

Young, Rep. William G. Whitehurst (R-Va.) and Bob Stump (R-Ariz.) all told reporters they believed the administration was not violating the Boland amendment when they left Washington and nothing changed their mind. "Those of us who believe in the Democratic form of government have a problem with Nicaragua and what it is doing in the area," Young said.

Rep. Jettie (D-Calif.) said, "Unfortunately, I saw little to relieve my doubts about the

THE WALL STREET JOURNAL
27 April 1983

Front Burner

Central America Issue Heats Up as President Follows His Instincts

His Conservative Stand Risks Collision With Congress And Latin Allies of U.S.

Setback on El Salvador Aid

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—During the 1980 presidential campaign, an interviewer asked Ronald Reagan what foreign-policy issues he would put at the top of his priority list.

"I think the whole problem of Central and South America and the Caribbean has been neglected too long," he replied promptly.

That response, little noticed at the time, seems prophetic now. It goes a long way in explaining why the president has pushed Central America to the top of his foreign-policy agenda—even though, by doing so, he risks a huge collision with Congress and friendly Latin American governments and may be creating a hot issue for the 1984 presidential contest.

In part, Central America has vaulted to the top of the administration agenda because of a genuine deterioration in the position of U.S.-backed forces in El Salvador. But just as important, a new chemistry of personalities and politics in Washington has suddenly brought out the president's natural inclination to dramatize the threat of Soviet-inspired insurrection in Central America.

"You have a convergence of elements here," says United Nations ambassador Jeane Kirkpatrick, who has helped push Central America into the public eye.

Shifting Winds

For two years, the diversion of pressing domestic issues such as taxes, combined with his advisers' squeamishness about parallels with Vietnam, muted the president's alarm about Central America. But now many of the restraints are gone. Aides who favored a moderate approach have been chastened, and national-security adviser William Clark has stepped in to urge on the president. At precisely the same time, Congress is forcing the president's hand by challenging the whole thrust of his policy in Central America.

The result is that tonight President Reagan makes one of the most unusual and dramatic moves of his administration. He has called a joint session of Congress, to be nationally televised at 8 p.m. EDT, to press skeptical lawmakers to approve more military aid for the government of El Salvador.

It will be the first time a president has addressed Congress on a foreign-policy issue since President Carter appeared in early 1979 to plug the new SALT II arms-control treaty, congressional historians say. Mr. Reagan is going to the trouble mostly to win congressional approval of \$110 million in quick new military aid for El Salvador he proposed last month.

Legislative Setback

But the speech also will carry an implicit warning: Congress risks taking the blame for the fall of El Salvador to the Communists if it ignores such a dramatic plea for help from the president.

Underscoring the problems the president faces in Congress, a House Appropriations subcommittee yesterday cut \$30 million from the administration's request to funnel \$60 million in military aid to El Salvador from funds earmarked for other countries. A separate request for \$50 million in new aid for El Salvador earlier was cut out entirely by the House Foreign Affairs Committee.

The administration hopes the president's speech can persuade Congress to replace some of the deleted funds, but resistance from Democrats is high. To save even half of the requested \$60 million yesterday, the administration had to make a large concession to lawmakers. It agreed under pressure to appoint a special Central American envoy to help El Salvador arrange talks with leftist rebel groups in an effort to lure them into national elections later this year. Salvadoran leaders are uneasy at the prospect of interference from a high-level U.S. envoy but were forced to accept one.

Case of Nicaragua

Nor were the president's problems on the eve of his speech limited to the House. The Senate met in a special closed session yesterday to discuss charges the administration is violating a congressional mandate by covertly aiding armed groups trying to overthrow the leftist government of Nicaragua.

Even some administration officials think Mr. Reagan, in taking his case directly to Congress tonight, is being melodramatic and may undercut his support in Congress. They fear that his move could reinforce impressions that he is an alarmist on Central America.

"I tend to agree it's a little too much," says one State Department official. "There are those who think you have to get this out of the public eye, not into it." Officials say preparations for the speech have been marred by bickering between hard-liners at the White House, who want to play up the Soviet and Cuban role in fomenting unrest, and State Department aides, who fear Congress will recoil at anything resembling "Red scare" tactics.

Regardless of their views, though, administration aides agree that the high profile of Central America is here to stay in the Reagan administration. "It comes from Ronald Reagan's heart, really," says one official. He asserts that there now is a "fair amount of agreement" within the administration that Mexico is the ultimate target of Soviet-inspired unrest in Latin America.

The president's position is bolstered by the fact that even some former skeptics now share his pessimism on El Salvador. "Our impression is that the situation is deteriorating very rapidly," says a European diplomat from a country that has often questioned Reagan Latin American policies. "Time is running out, and the U.S. has to be very quick."

This diplomat is particularly worried that if Western Europe deals the Soviet Union a setback by deploying new U.S. nuclear missiles late this year, the Russians will begin casting about for a quick victory elsewhere. They may mount a drive to help guerrillas topple the government in El Salvador or station new weapons in leftist-ruled Nicaragua, he fears.

Moreover, top administration officials have begun to worry that failure to win congressional backing for aid to Central America is hurting U.S. credibility on other foreign-policy issues. For example, Middle Eastern leaders won't take American peace efforts seriously if the Reagan administration appears incapable of following through on initiatives in its own backyard, presidential aides fear.

Many Doubters

Yet all this dire talk falls on many deaf ears in Congress, as various committees slice or delay the administration's urgent requests for more aid for El Salvador. "I don't think the people think El Salvador is all that important," says Senate Democratic Leader Robert Byrd. Like many of his colleagues, he contends the administration is "going down the wrong track" by relying too much on military aid and too little on encouraging peace negotiations between El Salvador's factions.

The administration has itself to blame for much of the congressional skepticism. The White House has undermined its own credibility by swinging sharply from a calm demeanor to an alarmist attitude about Central America, officials acknowledge.



AP Photo/John Schmitt/Wide World

A prayer for the embassy dead

Secretary of Defense Caspar Weinberger prays with bowed head during a memorial service at Washington Cathedral yesterday for the 17 Americans and 31 Lebanese killed when a bomb exploded at the U.S. Embassy in Beirut April 18. At left is CIA Director William Casey. More than 3,000 persons attended the services.

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QUOTELINES

"My question to you is, 'Can the modern presidency survive the modern media?'"

— *Deputy White House press secretary Larry Speakes*

"Reagan threatens to revert government operations back to an era of covertness and cover-ups."

— *Rep. Ted Weiss, D-N.Y.*

"I question very seriously whether a secret intelligence agency and the Freedom of Information Act can co-exist."

— *CIA Director William Casey*

"It is vital to our way of living to reach a workable balance between the right of the public to know and the need of government to keep information in confidence."

— *William Poole, the Heritage Foundation*

"There is a truly menacing atmosphere gathering in Washington. And it's time you tigers roared."

— *Sen. Daniel Patrick Moynihan, D-N.Y.*

"A free press is a cornerstone of our democracy. . . . A free press is, indeed, our key to freedom."

— *President Reagan*

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BOSTON GLOBE
27 APRIL 1983

\$30m is OK'd for El Salvador

By David Rogers
Globe Staff

WASHINGTON - The Administration, avoiding an embarrassing defeat on the eve of President Ronald Reagan's address to Congress tonight, won narrow approval yesterday to transfer half of a request for \$60 million in military aid to El Salvador.

The 7-5 vote in the House Appropriations subcommittee on foreign operations was the final congressional action on the funds. The Administration still must submit a letter meeting conditions imposed by the Senate regarding negotiations and the number of US advisers in El Salvador, but it is now assured of \$30 million in additional assistance.

Rep. Clarence Long, the subcommittee chairman, was the swing vote for the President, and the Maryland Democrat used his position to negotiate a promise that Reagan will soon name a special envoy to spur negotiations leading to Salvador elections planned for later this year.

A letter from Secretary of State George P. Shultz making this commitment was released immediately after the vote. Reagan may announce the appointment this evening when he appears before a joint session of Congress to defend his policies.

The speech, which will be nationally televised at 8 p.m., marks the first time Reagan has gone before Congress on solely a foreign policy issue and it is a rare event for any President to call such a session.

Though the \$30 million approved is only half of what the Administration requested, it more than doubles the level of military aid approved by Congress for El Salvador this year and brings the total to just \$5 million short of Reagan's original request of \$61.3 million for 1983.

Since then the Administration has more than doubled its demands in an effort to bolster the Salvador regime against leftists guerrillas, but in both the House and Senate the requests have run into opposition in critical committees.

The same concern is seen in the debate over covert aid being provided by the Administration to insurgents seeking to overthrow the leftist Sandinista government in Nicaragua. Reagan called members of the House Intelligence Committee to the White House yesterday for a meeting on the issue.

The committee has postponed any action until after the President's speech, but within Congress there has been concern about both possible violations of restrictions put on the aid last year as well as the wisdom of the entire operation. The Senate went into an unusual closed-door session yesterday afternoon to hear a briefing from its Intelligence Committee on the issue, and the White House meeting with House members was intended in part to discourage any effort to cut off the aid.

CIA chief attends session

"Certainly that was implied," said one Democratic member. William Casey, the CIA head, and senior State Department officials, including Thomas Enders, assistant secretary for inter-American affairs, attended the hour-long session.

Rep. Edward Boland (D-Mass.), chairman of the House Intelligence Committee, has scheduled a meeting for tomorrow morning on the issue. A resolution has been drafted to cut off covert aid and substitute additional foreign assistance to Central American nations to help them interdict arms shipments in the region. No final decisions have been made, but the resolution would take the form of an amendment to the current Intelligence Authorization Act covering the CIA's budget. Funding for the covert aid would be cut off 45 days after the amendment is enacted.

As now drafted, the resolution also provides that the House Foreign Affairs Committee authorize additional regional aid for the purpose of interdicting arms. The thrust of the proposal is to address the arms issue directly rather than through a covert operation. Rep. Clement Zablocki (D-Wis.), chairman of the House Foreign Affairs Committee and a member of the Intelligence Committee, acknowledged yesterday that this approach may be considered. He said he was inclined to support it if offered in committee.

'Open question' for Boland

Boland said after the White House meeting that even though Reagan insists his Administration is within the law in providing covert aid to rebels in Nicaragua, the Springfield Democrat believes it is still very much an "open question."

At issue now, he said, is "whether or not the activities we're engaged in [are] ... in the interest of the United States or whether" those activities are undermining the effort of the United States to "establish some credibility in the area."

Reagan, while defending his policy, has argued that he is only seeking to interdict the flow of arms from Nicaragua to guerrillas in El Salvador, but a source familiar with yesterday's White House meeting said the Administration is anxious to keep the operation covert.

In an effort to rally support, the CIA flew five members of the House Intelligence Committee to Central America this week. But when the delegation returned yesterday, reactions to the visit indicated little change in position.

Long, who played the lead role in the El Salvador debate, was himself fresh from a State Department trip to the region, and the elderly, sometimes eccentric Democrat seemed to enjoy the limelight, waving a "V" sign to photographers and grinning as he heard the warm praise of GOP members on the Appropriations subcommittee for his role in winning the assistance.

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RICHMOND TIMES DISPATCH
25 APRIL 1983

Six lawmakers go to Central America

From wire dispatches

Six House members flew to Central America yesterday as the administration tried to head off more congressional opposition to its anti-Marxist campaign in the region.

U.N. Ambassador Jeane J. Kirkpatrick expressed confidence that Congress would not rebuff President Reagan's request for an added \$60 million in military aid for El Salvador or curtail reported CIA activities against the government of Nicaragua.

"What we hope is that Congress will share the responsibility for finding a constructive solution," Mrs. Kirkpatrick said on ABC News' "This Week With David Brinkley," adding, "I think Congress will, frankly."

In a separate interview on the program, Sen. Christopher J. Dodd, D-Conn., presented an opposed view of the wisdom of efforts to back the Salvadoran government. He said the administration's actions in Central America are seeking a military solution of social problems.

While agreeing that Communist influence is a hostile one in the region, he said the Salvadorans' main problems are economic.

He and Rep. Wyche Fowler Jr., D-Ga., who appeared with him, said the administration is violating a law that forbids spending to try to overthrow the government in Nicaragua.

Reagan is to address Congress on Wednesday night to repeat his warning that Nicaragua and Cuba, along with the leftists they support in El Salvador, threaten the stability of the region.

The House appropriations subcommittee on foreign affairs is scheduled

to vote tomorrow on the request for additional military aid for El Salvador. The chairman, Rep. Clarence Long, D-Md., flew there for a two-day visit before the vote. The Foreign Affairs Committee voted 19-6 last week against the request.

Also yesterday, five members of the House intelligence committee left for a CIA-guided tour of El Salvador and Honduras, where the agency is reported to be supplying and training guerrillas opposed to Nicaragua's government.

Making that trip are Reps. G. William Whitehurst, R-Va.; Norman V. Mineta, D-Calif.; C.W. "Bill" Young, R-Fla.; Bob Stump, R-Ariz., and Dave McCurdy, D-Okla.

Mineta said the tour was arranged by CIA Director William Casey in an effort to show the committee that the agency is not violating the law in Nicaragua.

Stansfield Turner, who was director during the Carter administration, said in an article he wrote for the Washington Post that the agency made a major mistake if it is as deeply involved in providing aid to guerrillas in Nicaragua as some allege.

"Just the cost of our appearing to destabilize a government of Nicaragua is high because we are widely seen as sponsoring the return to Nicaragua of the supporters of the dictator Anastasio Somoza," Turner said in the article published yesterday.

Sen. Ernest F. Hollings, D-S.C., called the aid to the Nicaraguan guerrillas a step of last resort and said El Salvador should be denied added military aid unless it moved toward negotiations with the rebels.

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25 April 1983

2 congressional delegations leave on Salvador mission

By Matthew C. Quinn
United Press International

WASHINGTON — Two delegations of House members left for El Salvador yesterday on administration-sponsored tours intended to bolster President Reagan's case for increased aid for the Central American nation.

Rep. Clarence D. Long (D., Md.), chairman of the House Appropriations foreign operations subcommittee, left on a two-day trip to El Salvador, and five House Intelligence Committee members began a three-day trip to El Salvador and Honduras.

Long said that he had been invited to make the trip by Secretary of State George P. Shultz and that he planned to meet with Salvadoran President Alvaro Magana and Defense Minister-designate Carlos Eugenio Vides Casanova.

"I would hope to tell them the difficulties they're having with Congress on this whole thing," Long said as he left Andrews Air Force Base, Md., aboard a military jet.

Long set a subcommittee vote for tomorrow on the administration's request to redirect \$60 million in military aid to El Salvador. He said he would make up his mind on the matter based on conversations with Salvadoran officials.

Reagan plans to address a joint session of Congress on Wednesday night on his policy of providing military aid to fight communist subversion in Central America.

The five Intelligence Committee members were invited to make their trip by CIA Director William J. Casey.

Rep. Norman Y. Mineta (D., Calif.), one of the five, said as he left Andrews that he was skeptical about Reagan's policies, particularly covert U.S. aid to rebels operating out of Honduras against the leftist government of Nicaragua.

"I have some skepticism about what the administration is doing," Mineta said, "and I think I want to make sure that the administration has the opportunity to put their best case forward about the whole issue. It seems to me that the administration is conducting a covert operation in an overt action."

With Mineta were Reps. Bob Stump (R., Ariz.), Dave McCurdy (D., Okla.), G. William Whitehurst (R., Va.) and C.W. Bill Young (R., Fla.).

Reagan last month asked Congress to approve two separate military aid increases for El Salvador. The House Foreign Affairs Committee killed a \$50 million request Tuesday.

His request to switch \$60 million in military aid already approved for other countries to El Salvador is before Long's subcommittee.

"I'm going there with an open mind and let the chips fall where they may," Long said in an interview. "They aren't really taking the battle to the guerrillas. If you're going to fight, fight. You've got to get the guerrillas to the conference table and for that you need a stick, not a wet noodle."

Long said that he wanted a negotiated settlement and that the administration should name a special envoy to that end.

He said he also wanted action on the investigation of the 1981 slayings of four American churchwomen in El Salvador. "They'd better get cracking on that if they want any aid," he said.

Two congressional critics of U.S. policy appeared on ABC's "This Week

With David Brinkley" yesterday and accused the administration of violating the Boland amendment, a law that specifically forbids any spending to overthrow the government in Nicaragua.

Reagan has said U.S. aid to the anti-Sandinista rebels operating out of Honduras was designed to cut off the flow of Soviet-bloc arms from Nicaragua to El Salvador.

Sen. Christopher J. Dodd (D., Conn.) said Reagan's contention amounted to wriggling through "a legal loophole" by arguing that "we don't know what their [the anti-Sandinistas'] intentions are."

Rep. Wyche Fowler Jr. (D., Ga.) agreed that the administration's position was "disingenuous" and "a distinction without a difference."

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NEW YORK DAILY NEWS
25 APRIL 1983

Congress turns its attention to Central America

Washington (Combined Dispatches)—The Senate holds a closed session on Nicaragua and President Reagan defends his Central American policies as Congress concentrates on foreign affairs this week.

A House appropriations subcommittee is scheduled to vote tomorrow on a controversial request for \$60 million in military aid to El Salvador. The next day, Reagan will address a joint session of Congress in an attempt to muster support for his Latin America policies.

In an attempt to bolster the President's case, two delegations of House members left yesterday for administration-sponsored whirlwind tours of El Salvador.

Rep. Clarence Long (D-Md.), chairman of the House Appropriations Foreign Operations Subcommittee, left on a two-day trip to El Salvador, and five House Intelligence Committee members began a three-day journey to El Salvador and Honduras.

MEANWHILE, a critic of Reagan's policy toward El Salvador said the United States is "backing the wrong crowd," but a key White House foreign

policy lieutenant argued America is helping "the good guys."

In separate interviews on Channel 7's "This Week with David Brinkley," United Nations Ambassador Jeane Kirkpatrick and Sen. Christopher Dodd (D-Conn.) presented the contrary assessments.

Dodd said the administration's actions in Central America are misdirected toward a military solution of social problems. Kirkpatrick declared: "In Central America, we're backing the democracies, and it's very clear who are the tyrants and who are the democracies."

The Senate is scheduled to hold a closed-door session tomorrow on U.S. involvement in Nicaragua with CIA director William Casey.

On the domestic front, the 1984 budget resolution may reach the Senate floor late in the week. Reagan will try to get the full Senate to reverse the action of the GOP-dominated Budget Committee, which adopted a Democratic plan to raise \$30 billion in taxes. The Senate also will consider bankruptcy legislation and the House will take up legislation to provide mortgage assistance to the unemployed.

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Can Congress Really Check

If Hill oversight fails on Nicaragua, it may

By Jay Peterzell

MEMBERS OF CONGRESS struggling to control the not-so-secret secret war against Nicaragua are learning an unpleasant lesson about their ability to monitor covert action: the current oversight system is inadequate even when it works, and it does not always work.

This American intervention in Central America presents the most serious test to date of the credibility of that oversight system, which was established by a series of laws passed during the last decade. If Congress proves unable to control this controversial covert operation, it is hard to imagine when it will effectively use its oversight powers.

But the system is neither so simple nor so straightforward that it can be easily exploited. There are ambiguities in the law that hinder effective congressional oversight, and there are large practical problems that get in the way of any attempt to curtail a secret operation overseas. Perhaps most important, Congress has yet to display any willingness to actually stand in the way of an operation that the administration of the day wants to conduct. Without congressional courage, oversight will never be significant.

The problems begin at a fundamental level: A number of members and staff of the House and Senate intelligence committees say they are not certain they are even informed of some types of secret operations. In a series of recent interviews, they described specific instances in which agencies had exploited loopholes in reporting requirements or even evaded those requirements altogether in ways that appeared to violate the law.

For example, intelligence and congressional sources said the Defense Department had conducted a number of clandestine intelligence activities without obtaining a "presidential finding" or informing the intelligence committees as required by law. The actions, which were said to have ended last year, were undertaken by an organization whose existence has never been reported previously — the Army Intelligence Support Activity, a secret organization set up during the 1980 Iran hostage crisis to support paramilitary and hostage-rescue operations worldwide.

One of the ISA's actions, the officials said, was to provide equipment and support for a 1981 attempt by former special forces Lt. Col. James (Bo) Gritz to organize a search for American prisoners of war thought to be still held in Laos. The organization was also said to have conducted operations in Central America.

Sources who discussed the existence of the ISA said they were satisfied that its illegal activities had ceased.

Even when Congress is fully informed, some members say they have few effective ways to react to covert operations of which they disapprove. "It is very frustrating to have so little leverage over the intelligence community," one member noted. "You don't have a veto, so you have to satisfy yourself by hollering inside the tin can."

In recent interviews, intelligence committee members and current and former staff members and intelligence officials described the current system of congressional oversight. Many asked not to be identified. Their account is necessarily incomplete, both because of the sensitivity of some aspects of the subject and because, in the case of committee members and staff, they have no way of knowing that specific information has not been reported to them.

"Congressional oversight" of covert activities means that Congress is kept informed of these activities, and has the opportunity to influence them. Under the law, the executive branch must inform the House and Senate intelligence committees — in advance, except in dire circumstances — of all clandestine activities by U.S. operatives or their agents to influence events in foreign countries. Committee members can ask questions about these operations but cannot veto them. The law envisions a situation in which the executive branch takes seriously reservations that might be expressed by the committees, but in fact the executive does not have to respond to congressional misgivings. To stop a covert action, Congress has to cut off funds for it.

stopped. "The system works well when there's a consensus" between Congress and the president, a former staff member noted. "It is not set up to deal with disagreements."

A parallel monitoring track is provided by the budget review process, which includes a yearly secret but recorded vote on each covert operation. In addition to authorizing funds for these and other intelligence actions, the committees approve reprogramming of money and are informed of (but do not approve) withdrawals from the CIA's contingency fund. This power of the purse is often described as "the teeth" of oversight. But committee sources admit it has never been used to cut off a significant, ongoing covert action.

It's important to understand what congressional oversight does not mean, too. It does not mean that the CIA makes daily or weekly trips to Capitol Hill to solicit approval for all secret activities. Nor does it mean the CIA is eager to volunteer its secrets to the intelligence committees. This is often a tooth-pulling process, and sometimes the dentist can't see all the teeth.

It's also important to know a little of the intelligence community's terminology. The term "covert action" does not cover all of the secret activities of American intelligence agencies. If the purpose of some clandestine action is to gather intelligence — not to influence events — then it need not be reported beforehand to Congress.

Thanks to the clandestine war in Nicaragua, many of the problems of congressional oversight of intelligence activities are about to come to the forefront on Capitol Hill.

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A Blank Check for Salvador? *The President Gets Tougher*

By Tad Szulc

WASHINGTON—On Wednesday, President Reagan will deliver the most dramatic speech of his presidency before a special joint session of Congress. He wants Congress to grant him a virtual blank check to neutralize Nicaragua and prevent a guerrilla victory in El Salvador.

White House advisers privately warn that unless approval is forthcoming, the President may have no alternative but to dispatch American combat troops to El Salvador by the end of the year, despite his past assurances that he would not do so. These officials believe the President may turn away from such assurances if the Salvadoran army continues to crumble. Indeed, it is a near-certainty, they believe, unless American military and economic assistance is markedly increased.

Reagan seeks the authorization of \$110 million in fresh money during this fiscal year in military aid to El Salvador (thus far only \$26 million has been approved). His decision to go to the country over the Salvador issue was made in principle two weeks ago when he realized that if the Congress were to allow the Administration to shift \$60 million in military funds from appropriations for other nations as part of the \$110-million total, it would insist as a precondition that negotiations be started between warring Salvadoran parties—a concept the Administration rejects on the grounds it would lead to "power-sharing" with the rebels. When, last Tuesday, the House Foreign Affairs Committee denied Reagan the other \$50 million, the President resolved to stage the grand drama of appearing before a joint session of Congress.

It is also believed in official circles that the President wants to lay the groundwork in his address for requesting a congressional waiver of the War Powers Act should he determine at a later date that there is need for direct U.S. military intervention in El Salvador. Under the act, the Congress has 90 days to order the President, if it so wishes, to withdraw American forces from a foreign country. Presumably, the Administration fears armed involvement under such limitations.

Finally, the President seeks to prevail over congressional watchdog intelligence committees, which threaten to forbid covert operations against Nicaragua because their scope may violate the law. On Thursday, CIA Director William J. Casey invited members of the House Permanent Select Committee on Intelligence to fly down this weekend to the Nicaraguan-Honduran border aboard CIA planes. They are not scheduled to return to Washington until late Tuesday, thus delaying any congressional action against the Administration until after Reagan's speech on Wednesday.

The Administration has charged that arms for Salvadoran guerrillas have been largely flowing through Nicaragua from Cuba, the Soviet Union and Libya, and it justifies the Central Intelligence Agency's support for armed foes of the Sandinista regime as an attempt to stop this flow.

Last week, the Administration's contention was confirmed in part when Brazil seized four Libyan transport aircraft filled with Soviet arms for Nicaragua when they landed to refuel in Recife, claiming that they were carrying hospital equipment. There was no proof that these arms were destined for Salvadoran guerrillas, but the incident helped to corroborate the build-up of the Sandinista army. On Friday, Reagan stressed in a press conference that this incident was "further evidence" that "outside forces," mainly from the communist bloc, are "interfering" in Central America. He also confirmed reports that 50 Palestine Liberation Organization pilots are currently stationed in Nicaragua.

The ultimate goal of the Administration is to stabilize the Salvadoran situation in the government's favor before the onset of the dry season in the autumn and a new rebel offensive, one that could deal a fatal blow to the Washington-backed regime. Such an offensive could at least render difficult the holding of Salvadoran presidential elections scheduled for December.

In its efforts to beef-up Salvadoran military capability, the White House was encouraged by last week's resignation of the controversial defense minister, Gen. Jose Guillermo Garcia, and his replacement by National Guard commander Gen. Carlos Eugenio Vides Casanova. Garcia had lost the trust of his commanders as well as of American advisers, and Washington hopes that Vides Casanova will do better.

At the same time, the guerrillas may be in serious disarray after the suicide in Managua on April 12 (but announced by the Nicaraguans only last Wednesday) of 63-year-old Salvador Cayetano Carpio, the highly radical commander of the Popular Liberation Forces, the principal Salvadoran rebel group. Carpio is said to have killed himself in despair over the assassination on April 6, also in Managua, of his deputy, Melida Amayo Montes. Another Salvadoran rebel leader, Rogelio Bazzaglia Recinos, was arrested by the Nicaraguans for allegedly murdering her, suggesting the existence of a split among guerrilla factions.

Reagan's dramatic decision to go before a joint session of Congress signals an unprecedented commitment by the White House to a military solution in El Salvador. It rules out the kind of political accommodation before the December elections advocated by some Latin American countries. The extent of U.S. diplomatic isolation was underlined by the inability of Secretary of State George P. Shultz to find a common ground during his conversations in Mexico last week.

The Administration finds itself at odds, too, with recommendations in favor of negotiations made earlier this month by a distinguished commission of U.S. and Latin American figures in a report titled "The

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Casey and the spies who stayed behind

By Ernest B. Furgurson
Chief of The Sun's Washington Bureau

The three Russian spies leaving this country after being fingered Thursday were only the tip of the iceberg. If the FBI wanted to act against every Soviet agent being watched here and in New York, they would be going home by the plane load.

But as those spies departed, other Soviets stationed here would be going right ahead with their intelligence work. They are secure in the knowledge that what they do is perfectly legal, sanctioned by diplomatic tradition, and pursued just as painstakingly by their American counterparts working in Moscow.

Friday morning those operatives, whose job is to sift through the thousands of political and high-tech publications in America's open society, came across something so blatant, its source and placement so obvious, that they might have missed it in their professional taste for the obscure. Once they did see this item their paranoia may even have led them to suspect it was a plant, meant to lead them astray.

It was an article by the director of the Central Intelligence Agency, of all people, on the editorial page of the *Wall Street Journal*, of all places, laying out a master plan for "the principal U.S.-Soviet battleground for many years to come."

If any covert Soviet agent had bribed somebody to obtain the same precise material bearing a secret stamp, he would have been awarded the Order of Lenin with gold hammer and sickle, entitling him to retirement in a dacha overlooking the Black Sea.

The crucial U.S.-Soviet battleground for now and the future, according to Director William J. Casey, is the Third World. Moscow has enjoyed a string of successes there in the past decade, he says, and will have more unless Congress and the executive branch are foresighted enough to work together to prevent it.

After setbacks in the Sixties and early Seventies, Mr. Casey asserts, the Soviets tried again with revised strategy that has worked. It still includes supplying weapons, propaganda, technical and political training to those trying to overthrow non-communist governments. It still orders outright military intervention where safe, as in Afghanistan.

But it now uses surrogates like Libya, Vietnam and Nicaragua to undermine target governments, so the Soviet hand will be invisible. That makes "any direct response by the West appear neoimperialistic," Mr. Casey says. When radical governments come to power, they immediately create Soviet-style security police to stamp out any challenges from within.

This way, the director says, Moscow has completed or instigated military action or subversion in Vietnam and Indochina, Ethiopia, Angola, Nicaragua, Afghanistan, Grenada, El Salvador, Honduras, Guatemala, Suriname, Chad and the Sudan. Whatever shade of deep red or tentative pink they might be tinted on a world situation map, those together represent a lot of territory — and their strategic locations matter more than their square mileage.

"The U.S. needs a realistic counter-strategy," Mr. Casey declares, and then outlines one.

This country must raise the priority of the Third World in its foreign policy. It must designate key countries for its backing in each region. It must be ready with training and

arms to help them defend themselves quickly. It must push Western private business in the Third World, partly because we cannot offer open-ended economic help and partly because "the Soviets are helpless to compete with private capital in these countries."

All those thoughts are predictable, coming from Mr. Casey. This one is less so: "We must be prepared to demand firmly but tactfully and privately that our friends observe certain standards of behavior with regard to basic human rights . . . we have to be willing to talk straight to those we would help about issues they must address to block foreign exploitation of their problems—issues such as land reform, corruption and the like."

Lest he be accused of softness on human rights, the director explains that "We need to show how the Soviets have exploited such vulnerabilities elsewhere to good effect to make clear we aren't preaching out of cultural arrogance but are making recommendations based on experience."

However sensible this advice combining tough anti-communism and enlightenment, it is useless unless the legislative and executive generally accept it. "Too often opportunities to counter the Soviets have been lost by clashes between the two branches," Mr. Casey contends. "Support for a Third World policy must be bipartisan and stable."

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STAT

CIA chief gets supervisory role

Critics see potential for domestic spying

By Robert C. Toth
Los Angeles Times

WASHINGTON - CIA Director William J. Casey is placed over FBI Director William H. Webster in the National Security Council's intelligence structure, according to a council directive.

The directive raises concerns that the spirit if not the letter of a law barring CIA involvement in domestic security operations is being violated.

The law, the National Security Act of 1947, specifically forbids the CIA from "law-enforcement powers or internal security functions." Those functions are delegated to the FBI.

Some Senate Intelligence Committee members are concerned that Casey is not in compliance with the law.

Hearings on the directive and other Administration decisions on counterintelligence and counterterrorism may be held in coming months as Congress, uneasy about CIA covert activities abroad, gives increased scrutiny to issues that are perceived as potential civil liberties threats.

Some senators also are concerned that the security council's intelligence committee - the so-called Senior Interagency Group-Intelligence, or SIG-I - does not give explicit membership to the Attorney General, who is responsible for ensuring that no domestic spying operations violate the law or presidential regulations.

Administration officials, who made the SIG-I organizational directive available to the Los Angeles Times after repeated requests, contended that it does not conflict with the law because Casey acts as director of central intelligence, not as CIA chief, in chairing the SIG-I.

Casey's role backed

The role complies fully with his supervisory role for all US intelligence, they said. They also said that although the Attorney General is not a member of SIG-I and its subcommittees, he or a representative as a "matter of practice" attends all meetings of the groups.

Administration officials and a CIA counsel, George Clark, also noted that the SIG-I groups deal with policy, not operations. That further removes Casey from any

role in "internal security functions," they said.

As for operations, according to the Attorney General's counsel on intelligence matters, Mary Lawton, "these are taken care of in the executive order that says that the CIA must adopt procedures approved by the Attorney General. On specific operations against a US person [citizen], the CIA must come to him for approval."

The present arrangement contrasts with stricter Carter Administration regulations under which the Attorney General had a designated seat on NSC intelligence groups. Those rules were part of Carter's efforts to assure that abuses by intelligence agencies would not be repeated.

Similarly, the senior National Security Council group on intelligence in the Carter White House was run by national security adviser Zbigniew Brzezinski to avoid risking the perception that the CIA director had a role in domestic security programs.

The Reagan Administration's SIG-I Directive No. 1, dated Aug. 5, 1982, and signed by Casey, states that the senior group is responsible for protecting the United States "against the total foreign intelligence threat by means of counterintelligence and other countermeasures, including protective security but excluding counterterrorism ..."

Lower-level groups

It establishes two lower-level groups, one for each area, for "developing policy positions."

The counterintelligence subgroup, responsible for counterespionage and for countering "active measures" (such as forged documents and deliberately misleading reports), is headed by the FBI director. Its membership includes the director of central intelligence (who presumably represents the CIA's counterintelligence division), the

deputy secretaries of State and Defense, and several other agencies, including the military services.

The countermeasures subgroup, headed by the deputy secretary of defense, is responsible for protecting the nation's secrets against technical threats, such as electronics eavesdropping and satellite photography. It also is responsible for countering high-technology thefts and attempts to recruit US personnel as spies, and for the security of weapons bases.

Its membership is even broader, extending to about 20 member agencies down to the Coast Guard.

One critic of the security council directive complained that the organizational structure "makes the FBI subordinate to the [CIA director] instead of the Attorney General."

"Casey should not be put in this awkward position, and the President's Foreign Intelligence Advisory Board should try to get it changed," the critic said.

ANTI-SANDINIST AID SPLITS HOUSE PANEL

Decision Is Delayed on Funds'
Cutoff — 5 Congressmen
Plan to Tour the Region

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, April 22 — The House Intelligence committee was badly split today, mostly along party lines, about whether to recommend cutting off funds for covert support of rebels seeking to overthrow the Sandinist Government of Nicaragua.

Five members of the committee, Democrats and Republicans, accepted the invitation of William J. Casey, the Director of Central Intelligence, to tour the region this weekend.

The committee has delayed a decision until after President Reagan addresses a joint session of Congress on Wednesday on the problems of Central America. "We decided to put things on hold until the President comes before Congress," Representative Robert H. Michel of Illinois, the Republican leader and a committee member, said in a telephone interview from Peoria.

Democrats Ready to Cut Aid

Most committee Democrats favor cutting off the covert aid on the ground that it is now an open secret. They contend that Congress should debate and vote on whether to make the aid overt. Most committee Republicans, on the other hand, favor continuing the aid as an effort to counter Communist influence in the region.

President Reagan, meanwhile, underscored a Government allegation that the Palestine Liberation Organization has provided aid to the Sandinist Government. "I can tell you that the report is true," Mr. Reagan said at a news conference. "They, like the others from the Communist states, have been in there and are in there."

The President also cited Brazil's interception of four Libyan aircraft destined for Nicaragua, with a cargo that the Administration said was headed for the rebels in El Salvador, as further evidence of the international aspect of the conflict. The aircraft, ostensibly carrying medicine, turned out to be laden with military equipment.

'Just Further Evidence'

The President said, "The episode with the Brazilians' holding the planes from Libya the other day, when the aspirins they were supposed to be carrying turned out to be hand grenades and things, is just further evidence of what we have said all the time — that there are outside forces, all of them principally aligned with or sympathetic to the Communist bloc, who are in there and intervening in the legitimate affairs of those countries."

In another development, 65 House members, all but one of them Democrats, called for either an end to United States support for covert military action against Nicaragua or a chance to vote directly on the matter. The lone Republican was Representative Jim Leach of Iowa, a former Foreign Service officer.

Most Democrats on the House Intelligence committee support the contention of its chairman, Representative Edward P. Boland of Massachusetts, that the United States is in "apparent violation" of a prohibition against covert action "for the purpose of" overthrowing the Sandinist regime in Nicaragua. A House Foreign Affairs subcommittee voted last week to ban any such aid.

'Firmness About Being Skeptical'

Representative Norman Y. Mineta, Democrat of California, a member of the Intelligence Committee, said the Democrats had demonstrated "a firmness about being skeptical about the Administration's policy and implementation, which has spilled over into another area: the Administration's relationship with the Congress."

"We're overtly carrying on a covert operation, which is screwy," Mr. Mineta said in a telephone interview from San Francisco. "You could cut off the covert operation and ask, 'Should this be done as an overt operation?' The Democrats think that this is the issue we ought to be debating."

To Mr. Michel, on the other hand, the Brazilian interception of the Libyan aircraft was "a gift from God" that underscored the correctness of the Administration's position.

"I happen to think the Administration is moving along in the right direction and making some progress," Mr. Michel said.

He added that the C.I.A. might sponsor a second tour of the region next weekend, because many of the committee members were unable to reschedule commitments for this weekend. Those going on the initial C.I.A. tour are Mr. Mineta and Dave McCurdy, Democrat of Oklahoma, and three Republicans — Bob Stump of Arizona, Bill Young of Florida and G. William Whitehurst of Virginia. They will leave Washington Sunday morning.

Dodd Seeks Closed Senate Session

In a related development, Senator Christopher J. Dodd, Democrat of Connecticut, has told the leadership that he will move to have the Senate go into a closed session on Tuesday to discuss United States operations in Nicaragua.

A high-ranking Nicaraguan official, meanwhile, told reporters that although he lacked proof that the purpose of United States support of insurgents was to overthrow the Nicaraguan Government, "for us, there is no doubt about it."

The remark, by Rafael Solis, Secretary General of Nicaragua's Council of State, was made at a news conference sponsored by Representative John Conyers Jr., Democrat of Michigan. Mr. Solis acknowledged that the Libyan aircraft were headed for Nicaragua, but denied that Nicaragua intended to pass the weapons to Salvadoran guerrillas.

Nicaragua Wants Direct Talks

MANAGUA, Nicaragua, April 22 (Reuters) — Nicaragua demanded direct talks with the United States and Honduras today before considering wider discussions on the problems of Central America.

The request came in a Foreign Ministry communiqué a day after foreign ministers from nine Latin American states ended talks in Panama City.

The communiqué said, "The fundamental premise for a lasting solution of the conflict with Honduras and the United States is a dialogue between Nicaragua and the United States to end the mercenary invasion against our country and establish terms of coexistence which conform to international norms and rights."

23 April 1983

Nicaragua's nine leaders maintain a united front

By JUAN O. TAMAYO
 Herald Staff Writer

MANAGUA, Nicaragua — One is a Marxist who collects crucifixes. Two are former catechism teachers, steeled in revolutionary theory. Two others condemn "Yankee imperialism" and wear designer jeans.

They are among the nine members of the Sandinista Front's National Directorate, top leaders of the one-time guerrilla movement that now charts Nicaragua's every move.

Since toppling President Anastasio Somoza in 1979, the nine have surprised friends and foes by presenting a monolithic front, without the slightest public hint of internal rifts or power struggles.

Now the Sandinistas are under the gun, confronting U.S.-backed guerrillas, a chaotic economy, and popular dissatisfaction with their Marxist course. Rumors that the directorate's facade is cracking have become a staple of life in Nicaragua.

There is no way of telling whether the cracks are real, or merely the result of the intense scrutiny focused on the nine as Nicaraguans search for clues on how they will handle the crisis.

There are rumblings that "moderates" Daniel and Humberto Ortega have moved into a heavily fortified compound because of fears of assassins, and now keep a stable of 300 bodyguards.

Conservative businessmen gossip gleefully that Jaime Wheelock, the agrarian reform minister, tried but failed to block Interior Minister Tomas Borge from nationalizing a dairy farm last month.

There are whisperings that "hardliners" Bayardo Arce, Henry Ruiz and Luis Carrion can't agree with Victor Tirado and Carlos Nuñez over the future course of the revolution.

Foreign diplomats admit they have no real grasp of its internal

Congressmen to take CIA tour

From Herald-Wire Services

WASHINGTON — William Casey, director of the Central Intelligence Agency, has invited members of the House Intelligence Committee to take a CIA-guided tour this weekend of anti-Nicaraguan guerrilla bases, and several have accepted, a congressman disclosed.

Casey's invitation came as the House panel agreed to delay a vote on restricting CIA covert action against Nicaragua until

after President Reagan's speech to Congress Wednesday night.

Rep. Norman Mineta (D., Calif.) said Casey invited the Intelligence Committee members at a meeting Thursday morning, and four or five said they would consider going.

Mineta said the trip would run from Sunday through Tuesday, and would include briefings from CIA officials in El Salvador and Honduras near the Nicaragua border.

dynamics.

"Keeping track of the directorate makes Kremlinology look like a perfect science," said one Western diplomat.

The few people in Managua who venture opinions on the directorate's inner workings say that, although its nine members occasionally may clash over personalities and tactics, their ultimate goal of a Marxist state is never questioned.

While some foreign analysts in Managua say the directorate is split into radicals and moderates, one Central American source who knows its members well said it is more of a difference "between those who want to go fast and those who want to go slow — between hares and turtles."

Whatever the reasons, most foreign observers line up the nine members into two groups of four — with one member left out as carrying little weight, except as a swing vote.

Technically on top, by virtue of its accumulated titles, is the group made up of the Ortega brothers, Wheelock and Nuñez — who are variously described as "moderates," "pragmatists" and "turtles."

Daniel Ortega wears two hats as

member of the directorate and head of the largely administrative Junta of National Reconstruction.

Younger brother Humberto is defense minister and commander-in-chief of the armed forces.

Catechism teachers as teenagers in the slums of Managua, the brothers founded the *Terceirista* movement, the most moderate of the three guerrilla factions that now form the Sandinista Front.

Both are quiet and serious men in their early 30s, with Daniel the more mercurial. At the end of a seven-year stint in a Somoza jail, he wrote a poem that he titled: *I never saw Managua when miniskirts were in fashion.*

Wheelock was co-founder with Nuñez of the staunchly Marxist *Proletarians* faction, but he has impressed some opposition leaders as measured and pragmatic — to a point.

Nuñez, a slim intellectual who favors designer jeans, heads the legislative Council of State, and is director of propaganda and political education for the Sandinista Front's National Secretariat.

If the so-called moderates have more impressive job titles and presumed control of the army, Borge

U.S. Averts Curb on Funds For Anti-Nicaragua Action

By Patrick E. Tyler
 Washington Post Staff Writer

The Reagan administration yesterday forestalled any action to cut off U.S. funding for covert operations against Nicaragua by asking the members of the House Permanent Select Committee on Intelligence to take a CIA-guided tour of the secret front this weekend.

The invitation, delivered by CIA Director William J. Casey during a closed session of the committee yesterday morning, was immediately accepted by the panel's Republican members and several Democrats, according to participants.

At one point, as many as six members were signed up to leave this Sunday on CIA planes and not return until Tuesday afternoon.

The effect of the CIA invitation was to suspend until after President's Reagan's address to a joint session of Congress Wednesday night the committee's deliberations on whether to cut off or further restrict CIA support for guerrillas waging an insurrectional campaign against Nicaragua's leftist Sandinista government.

One Democratic member of the committee, Rep. Norman Y. Mineta of California, said he will accept the CIA invitation, but doubted whether the trip or the president's speech will blunt the determination of the committee's Democratic majority to constrain the CIA further, perhaps by tightening the Boland amendment, named for the committee's chairman, Edward P. Boland (D-Mass.).

The amendment, adopted by Congress last December, prohibits any U.S. assistance "for the purpose" of overthrowing the government of Nicaragua or provok-

ing a military exchange between Nicaragua and neighboring Honduras.

"I think there is a consensus on the committee to do something to cut off the covert activities," Mineta said. Boland would not comment yesterday after more than six hours of committee discussions with Secretary of State George P. Shultz Wednesday evening and Casey yesterday morning and afternoon.

One congressional source said the members who go on the tour will receive briefings from CIA officials who run the day-to-day covert activities in conjunction with Honduran military officials from bases near the Honduran-Nicaraguan border.

In the Senate, meanwhile, an attempt by Christopher J. Dodd (D-Conn.) to call a secret session next Tuesday so that members can be briefed by the Senate Select Committee on Intelligence also appeared headed for delay. An aide to Dodd said the office of Senate Majority Leader Howard H. Baker Jr. (R-Tenn.) indicated yesterday that Baker wanted to put off the secret session until after Reagan's address on Wednesday.

During yesterday's House committee session, Republican members strenuously defended the legality of the administration's covert efforts to stop the flow of arms from Nicaragua to leftist insurgents in El Salvador.

These members pointed to fresh evidence of possible Soviet involvement in gunrunning to El Salvador with the detention of Libyan aircraft filled with munitions disguised as medical supplies bound for Nicaragua.

But the momentum of Democratic members to shut down the covert program was also strong, one Republican



REP. NORMAN Y. MINETA
 ... says he will accept the CIA invitation

said. Mineta is the third Democratic member of the panel to state openly that the administration is not complying with the Boland amendment. Last week Boland said that the government was in "apparent violation," and Rep. Wyche Fowler Jr. (D-Ga.) said the CIA "is not fully adhering" to the law.

Mineta suggested that the operation is "out of control" and has increased in scope and purpose since authorized in November, 1981. He said he feared that committee members were being "set up" by the administration, which is claiming that all CIA activities in the region are legal and have been conducted with the full consent of the congressional intelligence oversight committees.

The House members who expressed immediate interest in the tour yesterday included Bob Stump (D-Ariz.), C.W. Bill Young (R-Fla.) and Dave McCurdy (D-Okla.), according to participants.

Regroup to Check the Soviet Thrust

By WILLIAM J. CASEY

The effects of American defeats in Vietnam and Iran undermined the confidence of U.S. friends and allies in the Third World (and Europe and Japan) and ensured that the Soviet Union would see in the Third World its principal foreign-policy opportunities for years to come.

The Soviets themselves suffered setbacks in the 1960s and early '70s in the Third World. They suffered one setback after another in Africa. They saw their hopes in South America dashed by the overthrow of Salvador Allende in Chile and they were humiliatingly expelled from Egypt in 1972. When they turned again to the Third World in 1975, it was with a strategy designed to minimize the chance of a repetition of those setbacks. The strategy, enriched and strengthened over several years, is realistic and calculated to exploit effectively both events and opportunities.

First, shown the way by Castro in Angola, the Soviets helped him consolidate the radical power of the MPLA there, creating a government dependent on Soviet and Cuban support for survival. This was followed by the dispatch of thousands of Cuban troops to Ethiopia. Unlike Sadat, neither the MPLA nor Mengistu could afford to order the Cubans and Soviets out.

In the new strategy, the principal, obvious role in Third World countries would be played by another Third World state—Libya, Vietnam, Nicaragua. No superpower would be seen to be guiding or arming or directing the radical forces at work; the host government would be maintained by foreign advisers and troops who couldn't be expelled in the event of a change of heart. Additionally, it was a strategy that made (and makes) any direct response by the West appear neo-imperialistic.

Second, when radical governments came to power, the Soviets directly or through their surrogates helped establish an internal-security structure to ensure that any challenge from within would be stamped out. There would be no more Allendes. Sometimes it worked, as in Ethiopia and Angola, and sometimes there was not enough time, as in Jamaica.

Third, the Soviets supplemented these tactics with their more traditional offerings, such as technical and political training in the U.S.S.R., the rapid supply of weapons and the use of propaganda and subversion to support friends or help destabilize unfriendly governments.

Launching Its Own Forces

Fourth, where a vacuum existed or the costs and risks were low, the U.S.S.R. proved still willing to launch its own forces at targets on its periphery—Afghanistan, and perhaps elsewhere when and if circumstances seem right.

Fifth, the Soviets advised new radical regimes to mute their revolutionary rhetoric and to try to keep their links to Western commercial resources, foreign assistance and international financial institutions. Moscow's ambitions did not cloud recognition that it could not afford more economic dependents such as Cuba and Vietnam.

This strategy has worked. A Soviet Union that had found itself in 1972 without major successes—except for the survival of the Castro regime—and with many failures in the Third World after two decades

of effort could count the following achievements by the end of 1982:

- Victory in Vietnam and Hanoi's consolidation of power in all of Indochina.
- New radical regimes in Ethiopia, Angola and Nicaragua.
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to achieve their objectives in many other places.

The U.S. needs a realistic counter-strategy. Many components of that strategy also are familiar, though they must be approached and linked in new ways. The measures needed to address the Soviet challenge in the Third World have the additional appeal that they represent also a sensible American approach to the Third World whether or not the U.S.S.R. is involved:

1. We have too often neglected our friends and neutrals in Africa, the Middle East, Latin America and Asia until they became a problem or were threatened by developments we considered hostile to our interests. The Third World now buys 40% of our exports; that alone is reason enough to pay greater attention to the problems of the less developed countries (LDCs) before we confront coups, insurgencies or instability. The priority of the Third World in our overall foreign policy must be raised and sustained. The executive branch must do more to educate the public, the Congress and Third World governments about Soviet strategy in the LDCs generally.

2. The U.S. must establish priorities in major commitments. President Nixon wanted to rely on key regional states as bulwarks for stability and peace. There are some dangers in this approach (Iran was to be the key state in the Persian Gulf), but it is generally sensible. If our early help fails to prevent serious trouble, for which countries are we prepared to put our chips on the table? We should choose ahead of time and in consultation with key members of committees of Congress so that their support at crucial moments is more likely. Great losing battles for foreign military sales and economic assistance, played out on the world stage and at critical times, represent devastating setbacks for the U.S. with ramifications going far beyond the affected country.

We Need a Constant Policy

3. We must be prepared to demand firmly but tactfully and privately that our friends observe certain standards of behavior with regard to basic human rights. It is required by our own principles and essential to political support in the U.S. Moreover, we have to be willing to talk straight to those we would help about issues they must address to block foreign exploitation of their problems—issues such as land reform, corruption and the like. We need to show how the Soviets have exploited such vulnerabilities elsewhere to good effect to make clear we aren't preaching out of cultural arrogance but are making recommendations based on experience.

4. We need to be ready to help our friends defend themselves. We can train them in counterinsurgency tactics and upgrade their communications, mobility and intelligence services. We need changes in our foreign-military-sales laws to permit the U.S. to provide arms more quickly. We also need to change our military procurement policies so as to have stocks of certain basic kinds of weapons more readily available.

5. We must find a way to mobilize and use our greatest asset in the Third World—private business. Few in the Third World wish to adopt the Soviet economic system. Neither we nor the Soviets can offer unlimited or even large-scale economic assistance to the LDCs. Investment is the key to economic success or at least survival in the Third World and we, our NATO allies and Japan need to develop a common strategy to promote investment in the Third World. The Soviets are helpless to compete with private capital in these countries.

6. Finally, the executive branch needs to collaborate more closely in the setting of strategy with key members and committees of Congress. Too often opportunities to counter the Soviets have been lost by clashes between the two branches. The independent stand of Congress is a fact of life, and any effort to counter the Soviets in the Third World will fail unless Congress is a party to the executive's thinking and planning—all along the way. Support for a Third World policy must be bipartisan and stable.

Without a sustained, constant policy applied over a number of years, we cannot counter the relentless pressure of the U.S.S.R. in the Third World. It is past time for the American government—executive and Congress—to take the Soviet challenge in the Third World seriously and to develop a broad, integrated strategy for countering it. It will be the principal U.S.-Soviet battleground for many years to come.

Mr. Casey is director of the Central Intelligence Agency.

File Only
THE RECORD

Georgetown University
Faculty/Staff Publication
21 April 1983

ARTICLE APPEARED
ON PAGE 5



WEINTAL AWARD WINNERS ... From left, William J. Casey, director of U.S. Central Intelligence; Andrew A. Stern, director of the Broadcast Journalism Program of the Graduate School of Journalism, University of California at Berkeley; and William Beecher, diplomatic correspondent for the Boston Globe, gather in the Intercultural Center's McGee Library the evening of April 13. In an earlier ceremony in the Intercultural Center auditorium, Stern and Beecher received Edward Weintal Prizes for Diplomatic Reporting. Beecher was awarded for his diplomatic reporting over the past year; Stern received the prize for his television documentary, "How Much Is Enough? Decision Making in the Nuclear Age." Casey received the Edward Weintal Award. "Bill Casey represents the ideal that Teddy Weintal looked up to in diplomats," noted Charles Bartlett, syndicated columnist and a trustee of the Weintal Prize. The will of Edward Weintal, a Polish-born diplomat who became an American diplomatic reporter, endowed the annual prizes, given in an annual ceremony sponsored by the Institute for the Study of Diplomacy and the trustees of the Weintal Prize.

21 April 1983

NOTE FOR: Director of Central Intelligence
 FROM: Deputy Director, Office of External Affairs
 SUBJECT: Wall Street Journal Op-Ed Piece

The Wall Street Journal has come back with several questions about your Op-Ed piece:

- o In the last sentence of the third paragraph, The Wall Street Journal Editor is suggesting inserting "by the West" after "any direct response".
- o In the first sentence of the fourth paragraph, he would like to change the tense from present to past to conform with other bullets.
- o In the second sentence of the first paragraph (Page 2), the Editor believes the readers will question the statement in view of Cuba. I have discussed with Bob Gates -- he suggests inserting "except for the survival of the Castro regime" set off by dashes to be inserted after "without major successes".
- o In the fifth bullet under that first paragraph on Page 2, the Editor suggested "U.S. resistance" in place of "U.S. assistance". Bob Gates and I agree U.S. "support of the elected government" would be preferable.
- o In the last sentence in the paragraph at the top of Page 3, the Editor would like to use "foreign and economic assistance" to get rid of "FMS" which would give the reader problems in understanding.

STAT

Distribution:

Original - Addressee

1 - D/OEXA 1 - OEXA Subject
 1 - DD/OEXA 1 - OEXA Chrono
 ① - C/PAD/OEXA
 DD/OEXA: [] (25 April 1983)

MEETING THE SOVIET CHALLENGE IN THE THIRD WORLD

The effects of American defeats in Vietnam and Iran undermined the confidence of US friends and allies in the Third World (and Europe and Japan) and ensured that the Soviet Union would see in the Third World its principal foreign policy opportunities for years to come.

The Soviets themselves suffered setbacks in the 1960s and early 70s in the Third World. They suffered one setback after another in Africa. They saw their hopes in South America dashed by the overthrow of Salvador Allende in Chile and were humiliatingly expelled from Egypt in 1972. When they turned again to the Third World in 1975, it was with a strategy designed to minimize the chance of a repetition of those setbacks. The strategy, enriched and strengthened over several years, is realistic and calculated to exploit effectively both events and opportunities.

-- First, shown the way by Castro in Angola, they helped him consolidate the radical power of the MPLA there, creating a government dependent on Soviet and Cuban support for survival. This was followed by the dispatch of thousands of Cuban troops to Ethiopia. Unlike Sadat, neither the MPLA nor Mengistu could afford to order the Cubans and Soviets out. In the new strategy, the principal, obvious role in Third World countries would be played by another Third World state--Libya, Vietnam, Nicaragua. No superpower would be seen to be guiding or arming or directing the radical forces at work; the host government would be maintained by foreign advisors and troops who could not be expelled. It was a strategy that made (and makes) any direct response appear neo-imperialistic, and a change of heart by the host government difficult if not impossible.

INSERT
"by the
West"

-- Second, when radical governments come to power, the Soviets directly or through their surrogates help establish an internal security structure to ensure that any challenge from within would be stamped out. There would be no more Allendes. Sometimes it worked--as in Ethiopia and Angola, and sometimes there was not enough time--as in Jamaica.

INSERT.
"came"
INSERT
"helped"

-- Third, the Soviets continued to supplement these tactics with its more traditional offerings, such as technical (and political) training in the USSR; the rapid supply of weapons; and, the use of propaganda and subversion to support friends or help destabilize unfriendly governments.

-- Fourth, where a vacuum existed or the costs and risks were low, the USSR proved still willing to launch its own forces at targets on its periphery--Afghanistan, and perhaps elsewhere when and if circumstances seem right.

-- Fifth, the Soviets advised new radical regimes to mute their revolutionary rhetoric and to try to keep their links to Western commercial resources, foreign assistance, and international financial institutions. Moscow's ambitions did not cloud recognition that it could not afford more economic dependents such as Cuba and Vietnam.

INSERT
"--except For the survival of the Castro regime--"
This strategy has worked. A Soviet Union that had found itself in 1972 without major successes and with many failures in the Third World after two decades of effort, could count the following achievements by the end of 1982, ten years later:

-- Victory in Vietnam and Hanoi's consolidation of power in all of Indochina.

-- New radical regimes in Ethiopia, Angola, and Nicaragua.

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INSERT
"support of the elected government"
-- An active insurgency in El Salvador where US assistance had rekindled old Vietnam memories.

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-- Rapid progress toward Cuban control of Suriname, the first breakthrough on the South American continent.

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Beyond these successes, the Soviets could see opportunities, actual or potential, to achieve its objectives in many other places.

The US is in need of a realistic counter-strategy. Many components of that strategy also are familiar, though they must be approached and linked in new ways. The measures needed to address the Soviet challenge in the Third World have the additional appeal that they represent also a sensible American approach to the Third World whether or not the USSR is involved:

1. We have too often neglected our friends and neutrals in Africa, the Middle East, Latin America, and Asia until they become a problem or are threatened by developments we consider hostile to our interests. The Third World now buys 40 percent of our exports; that alone is reason enough to pay greater attention to the problems of the LDCs before we confront coups, insurgencies, or instability. Except when we confront a situation we consider dangerous to ourselves, the Third World has been a very low priority. The priority of the Third World in our overall foreign policy must be raised and sustained. The Executive Branch must do more to educate the public, the Congress, and Third World governments about Soviet strategy in the LDCs generally.

2. The US must establish for itself priorities in terms of major commitments. President Nixon wanted to rely on key regional states as bulwarks for stability and keeping the peace. There are some dangers in this approach

(Iran was to be the key state in the Persian Gulf), but it is generally a sensible strategy. If our early help fails to prevent serious trouble, for which countries are we prepared to put our chips on the table? We should choose ahead of time and in consultation with key members or committees of Congress so that their support at crucial moments is more likely. Great losing battles for FMS, economic assistance, and the like, played out on the world stage and at critical times represent devastating setbacks for the US with ramifications going far beyond the affected country.

NSERT
foreign
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4. We need to be ready to help our friends defend themselves. We can train them in counterinsurgency tactics and upgrade their communications, mobility and intelligence. We need changes in our foreign military sales laws to permit the US to provide arms more quickly. We also need to change our military procurement policies so as to have stocks of certain basic kinds of weapons more readily available.

5. We must find a way to mobilize and use our greatest asset in the Third World--private business. Few in the Third World wish to adopt the Soviet economic system. Neither we nor the Soviets can offer unlimited or even large-scale economic assistance to the LDCs. Investment is the key to economic success or at least survival in the Third World and we, our NATO allies and Japan need to develop a common strategy to promote investment in the Third World. The Soviets are helpless to compete with private capital in these countries. The US needs to explore incentives to encourage the private sector to play a greater role in the LDCs, especially in countries of key importance.

6. Finally, the Executive Branch needs to collaborate more closely in the setting of strategy with key members and committees of Congress. Too often opportunities to counter the Soviets have been lost by clashes between the two Branches. The independent stand of Congress is a fact of life, and any effort to counter the Soviets in the Third World will fail unless the Congress is made a party to the Executive's thinking and planning--all along the way. Support for a Third World policy must be bi-partisan and stable.

Without a sustained, constant policy applied over a number of years, we cannot counter the relentless pressure of the USSR in the Third World. It is past time for the American Government--Executive and Congress--to take the Soviet challenge in the Third World seriously and to develop a broad, integrated strategy for countering it. It will be the principal US-Soviet battleground for many years to come.

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Mr. Casey is director of the Central Intelligence Agency.

Panel gives Reagan time on Nicaragua

By David Rogers
Globe Staff

WASHINGTON — The Senate Intelligence Committee, meeting in a closed-door session this week, withheld action on further funding for covert aid to insurgents in Nicaragua until President Ronald Reagan addresses a joint session of Congress next Wednesday, sources said yesterday.

Though members have refused any public comment, sources confirmed that the postponement was prompted by serious opposition in the committee, which has direct authority over the annual authorization act providing funding to the CIA.

Reagan had initially asked to speak before Congress as early as tonight on the situation in Central America, but because of scheduling problems in the House the speech is now planned for 8 p.m. next Wednesday.

The appearance will mark the first time in his Administration that Reagan has sought to address Congress solely on a foreign policy issue. The speech and the delay of the Intelligence Committee vote come at a time of increased concern in both chambers over Reagan's policies in the region.

Secretary of State George P. Shultz testified yesterday afternoon before a private session of the House Intelligence Committee. Rep. Edward Boland (D-Mass.), the chairman, has scheduled a meeting again this morning, when the members may take action on the Nicaragua issue.

Shultz appeared before the committee for three hours, and while William Casey, head of the CIA, also was called to testify, the committee was not able to get to him during the late-afternoon closed session. Rep. Jim Wright (D-Tex-

as), the House majority leader, indicated Casey would probably return today to meet with the committee.

Wright said Shultz was "very open, very candid" in responding to questions. "We covered a lot of ground. The subject has been exclusively Nicaragua and Central America, what is happening there, what our people are attempting to do."

Reagan's speech before Congress next week is expected to be a defense of his policies in Nicaragua and a bid for support for more military aid to El Salvador. The aid request has run into serious opposition in Congress. Within the Democratic-controlled House, the President has yet to win any committee approval of \$110 million in military aid for this year, and on a 19-16 vote Tuesday, the House Foreign Affairs Committee rejected an effort to salvage at least \$25 million of that aid.

"We take strong exception to this action," Larry Speakes, the White House deputy press secretary, said at his daily briefing. He said it was ironic that the committee would vote against the aid given "foolproof evidence" that outside forces are supplying arms to leftists in the region.

Four Libyan planes en route to Nicaragua were discovered this week by the Brazilian government to be carrying a cargo of arms and explosives, and Speakes cited the incident in support of the Administration's concern. In an apparent reference to arms shipments from Nicaragua to El Salvador, Speakes said the shipments of arms "could well be designed to aid those who would attempt to overthrow these democratic governments."

"We think this is foolproof evidence that outside forces are continuing to supply arms to the region in an attempt to upset the reforms that have been so eagerly sought by the governments there,"

Speakes said.

Administration officials portrayed Reagan's speech next week as an effort to "underscore the urgency of the situation in Central America." While there is some expectation in Congress that the President may make a new initiative toward negotiations, there is no clear evidence this will happen.

Sources close to the Senate Intelligence Committee said the decision to postpone any action on Nicaragua was not linked to any promise of a concession by the Administration but was simply to give the President an opportunity to defend his policies. The committee met Tuesday to approve the annual authorization bill for 1984 and, while completing action on most of the legislation, the Nicaragua issue was put off until the President's speech.

Among Democrats on the committee, there is clearly opposition to continuing the funding. Two sources said that if a vote had occurred Tuesday on the issue, the outcome might have gone against the Administration. Other sources have said the votes are there for continued funding but, historically, the Intelligence Committees in both houses have tried to rule by consensus and avoid covert operations where there is a substantial minority in opposition.

The concern in Congress over the aid stems both from what members see as the risks in the Administration's policy and legal questions about compliance with restrictions imposed last year. An amendment bearing Boland's name was adopted in December prohibiting the use of any funds for the purpose of overthrowing the Nicaraguan government. While neither committee has faulted the CIA, there is concern that Reagan's policy of aiding the insurgents is in violation of the law.

(CONTINUED)

20 APRIL 1983

STAT

By ROBERT SHEPARD
WASHINGTON
Covert

Members of the House Intelligence Committee questioned Secretary of State George Shultz for three hours Wednesday in an effort to find out if the administration is illegally aiding Nicaraguan rebels.

CIA Director William Casey also was called to the Capitol, but the committee was not able to get to him during the late afternoon closed session. House Democratic leader Jim Wright of Texas indicated Casey probably would return Thursday to meet with the committee.

Wright said the committee members had agreed not to make any statements about what was said during the meeting, but would report their conclusion later. He did say Shultz was "very open, very candid" in responding to committee members' questions.

"We covered a lot of ground," Wright said. "The subject has been exclusively Nicaragua and Central America, what is happening there, what our people are attempting to do."

Earlier in the day, Sen. Barry Goldwater, chairman of the Senate intelligence committee, said the Reagan administration was not violating a congressional ban on aid to Nicaraguan rebels, and he criticized members of Congress for suggesting otherwise.

"The president is not violating any restrictions of the Boland amendment," the Arizona Republican declared in a speech on the Senate floor.

The ban on covert aid -- called the Boland amendment, after Rep. Edward Boland, D-Mass., chairman of the House Intelligence Committee -- was enacted last December. It bars the CIA and the Defense Department from providing funds or equipment to groups trying to overthrow the leftist government of Nicaragua.

But several members of Congress have charged recently the administration is secretly aiding guerrilla forces now operating inside Nicaragua.

In his speech, Goldwater criticized other members of Congress "who do not have all the facts," but who make "wild political statements about our government breaking the law."

Two weeks ago, other members of the Senate Select Committee on Intelligence invited other senators to read a classified report on the situation in Nicaragua, but Goldwater said only one senator had asked to see the report.

"Anyone who bothered to learn the facts about Central America" would find "they all show clearly there is no intent to overthrow the government of Nicaragua."

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THE WASHINGTON POST
19 April 1983

Joseph Kraft

The CIA Back In the Mud

The Central Intelligence Agency is back on page one, getting caught red-handed doing in Central America the same kind of dismal dirty tricks that gave it such a bad name a decade ago. So you have to wonder who didn't learn any lessons.

For the discovery and exposure by press and television, and the recoil by the Congress and public, were not only predictable; they were predicted at the highest levels of the administration by a figure the White House is now trying to cast as the villain of the piece.

Former Secretary of State Alexander Haig has been dragged into the case by a series of leaks from on high. The disclosures finger him, first, by dating the basic decision to support covert operations in Central America on Nov. 17, 1981—that is, while he was in office. The original idea, it is said, was to have the dirty tricks performed by Argentine security forces. That scheme supposedly fell through when Haig tilted toward Britain and away from Argentina during the Falkland crisis. Now, the argument concludes, the CIA is merely taking up the slack.

Despite that implicit smear, Haig is not talking for publication. But many of us knew his approach to Central America when he was in office. Previous impressions have been confirmed by officials still on the job. Haig does not deny the story.

Communist penetration of Central America was very much on his mind when he came to the State Department in January 1981. But he did not want to concentrate fire on the Sandinista regime in Nicaragua, or the guerrilla insurgency in El Salvador. He regarded those as mere tentacles. He sought to go after the body of the octopus—Castro's Cuba.

Proposals for forcing confrontation with Castro were repeatedly advanced by Haig. His most ambitious project was to round up the misfits sent here by Cuba in 1980. Haig wanted to send them back to Cuba aboard an American ship under escort of the Atlantic fleet. Force, including reimposition of the blockade set up during the Cuban missile crisis of 1962, would be used if there was any interference. Haig's theory was that Castro (and Moscow) would back down, and come off subversion in Central America.

That scheme and others like it were discussed at length in the Situation Room of the White House. President Reagan was there. So were his main White House attendants. Also present were Defense Secretary Caspar Weinberger, representatives of the Joint Chiefs of Staff, and CIA Director William Casey.

Opposition to the Haig approach, rightly in my view, prevailed. The chiefs, backed by Weinberger, exposed military problems. White House officials worried about political fallout.

In lieu of the direct approach against Castro, the White House decided to mount against the Sandinistas in Nicaragua covert operations organized by the CIA around former military men from the deposed Somoza regime. But not before Haig had repeatedly pointed out that the scheme would not work. Not before, citing his own experience in Vietnam and in dealing with Castro in the 1960s, he had warned that the operations were bound to be disclosed and to provoke scandal and a public uproar.

So the Reagan administration made its decision in full knowledge that what has happened was going to happen. It cannot decently claim it was sandbagged by the media or sabotaged by the Congress. The opposition that has built up in this country is as normal an ingredient of the covert operations as the weather or the availability of transportation.

Not only did the administration know the risks, and elect to run them; it did so cynically. For the logic of the covert operations lies in the possibility of a deal. The United States would call off the dogs it has snapping at the regime in Nicaragua in return for the Sandinistas' calling off the dogs they have snapping at the regime in El Salvador. From the beginning, in other words, the Reagan administration has had in mind pulling the plug.

In those conditions, Congress is right to push very hard into the muck of the covert operations. This administration has shown that it is ready to ask the CIA for anything it can get away with. It is prepared to overlook the fact that the CIA works for this country with its well-known aversion to illicit interference in the affairs of other nations. So a smart rap on the knuckles is in order.

The more so as there is available a decent fallback position, in keeping with this country's basic traditions and its limited interest in Central America. The right approach has been blocked out by a group of notable private citizens from this country and Latin America, under former Ambassador Sol Linowitz. It is to work for a regional settlement with the countries that truly matter to the United States—Mexico, Venezuela, Panama and Colombia. They are the ones most threatened by communist penetration in Central America, and any settlement good enough for them is more than good enough for this country. Especially if, as a bonus, it preserves the good name of an intelligence apparatus that, appropriately employed, can serve a truly useful function.

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FILE APPEARED
ON PAGE 22

NEWSWEEK
18 APRIL 1983

Reagan on the Defense

The president's own party delivers a sharp rebuke to his military buildup.

By the time Ronald Reagan put in a call to Senate Budget Committee chairman Pete V. Domenici, the votes were lined up, the budget numbers had been written on a big green chalkboard and the clerk was ready to call the roll. But Domenici, his teeth clenched with anger, nevertheless excused himself, stubbing out yet another Merit cigarette as he made his way to the phone booth marked "Senators Only." Domenici listened politely, his face noticeably reddening as Reagan barked into the phone: "I'm the president and I want you to hold off for a while. People on that committee are up for re-election. They're going to be coming to me for help."

Reagan's threat came too late. After Domenici hung up the phone, he joined all but four Republicans on the budget committee in voting for a defense-spending increase that came to only half what the president had wanted. Although the vote was as much symbolic as substantive, it was Reagan's sharpest rebuke yet from his own party—and perhaps his biggest defeat on Capitol Hill. Even his prime-time appeal to the nation a fortnight before had produced what New Jersey Rep. Marge Roukema called "a conspicuous silence," suggesting that the Great Communicator may have taken his case to the public once too often (page 23)—and that he had badly misjudged its mood.

"I was in Ankeny and Des Moines, in Red Oak and Atlantic," said conservative Iowa Sen. Charles Grassley, ticking off the places he had visited during the Easter recess. "People told me flat out that they were concerned about waste and abuse and mismanagement in the Pentagon. And these weren't left-wing crazies. They were blue-collar workers and veterans—people who elected Ronald Reagan and elected me. They said: 'Turn off the spigot!'"

Growing public and congressional hostility to the administration's hard-line military stance is likely to cause Reagan even bigger problems in the weeks ahead. For example, a presidential commission is soon expected to unveil a new MX deployment plan that seems to call into question the very foundation of Reagan's defense strategy (page 24). Although the administration was cheered last week by a revised—and softened—version of a pastoral letter by Ro-

man Catholic bishops opposing nuclear weapons, arms talks with the Soviet Union may be permanently stalled and Kenneth Adelman—Reagan's choice to head the Arms Control and Disarmament Agency—seems headed this week for a close and contentious confirmation vote. Even an uptick in the economy hasn't softened opposition to Reagan's defense buildup: traveling to Pittsburgh for a jobs-retraining conference last week, he drew an angry crowd of 4,000 blue-collar supporters who held signs like "Bread Not Bombs."

Message: The message was seemingly lost on Reagan, just as it had been earlier in the week after a tense meeting with Senate Republicans. GOP leaders had hoped to convince Reagan that federal budget deficits and the public mood would not accept his request for \$46.3 billion in extra military spending. Secretary of State George Shultz insisted that a vote against Reagan would "send the wrong signal" to the Soviets, and Defense Secretary Caspar Weinberger's self-righteous, all-or-nothing attitude only stiffened the resolve of some senators to fight the president. But it was a visibly angry Reagan who had the last word: "When are we going to have the guts to stand up for what's right instead of what's popular?"

But what's "right" by Reagan has become increasingly less popular with the American public. "That consensus . . . you once felt out there to recoup on the military isn't there anymore," says Republican House leader Robert Michel. Indeed, polls show that Americans are increasingly skeptical of large defense budget increases, and Reagan's foreign-policy approval rating has been steadily sapped by events in Central America and the failure to realize any real progress at the arms-negotiating table. He has repeatedly ignored or rebuffed natural allies like the conservative Grassley, who argue that there is enough waste in the Pentagon to keep budget increases to a minimum without endangering national security. And Deputy Defense Secretary Paul Thayer, who has consistently argued for a reordering of defense priorities, has apparently been neutralized by Weinberger and has had virtually no impact on the shaping of the administration's military policy.

Flag Flying: Meanwhile, Weinberger and national-security adviser William Clark—along with CIA Director William Casey and United Nations Ambassador Jeane J. Kirk-

more muscular approach to foreign-policy issues. "Clark and Weinberger want to go off the cliff with the flag flying," complains one top Reagan adviser. The two seized tactical control of the defense-budget lobbying blitz, and Clark barred other top Reagan aides

from strategic deliberations. And along with Weinberger, Clark refused to compromise on the Pentagon budget—even though a little flexibility might have enabled the administration to win a good deal more of its requested increases. Privately, top aides

blamed the two for the Senate loss, even though in public, the White House was blaming the press. "We could have had a deal and a victory and a unified party," moaned one. "Instead we have a president repudiated by his own party."

But if Reagan's repudiation was partly caused by what one White House aide called "tactical stupidity," it was also of his own making. Indeed, the president has recently embraced foreign policy as fervently as he pushed his economic-recovery program—and with the same inflexibility. Part of the reason for Reagan's intransigence, says one longtime adviser, is that "he's always believed that you've got to be strong before the Russians will listen to you. It's a spiritual thing with him." Moderate GOP Sen. Slade Gorton of Washington agrees: "What we heard from him was 100 percent personal conviction. There wasn't an ounce of political calculation in it."

Reagan's personal convictions, however, are fraught with serious political risks. "We're scaring everyone half to death with this nuke stuff," complains one ranking administration official. "All the talk about missiles and warheads and megatonnage has rekindled the warmonger stuff." And as last week's demonstration in Pittsburgh also points out, the perception that Reagan is cutting social programs to pay for defense increases has once again revived the "fairness" issue that has dogged him from the start of his presidency. "All of a sudden you hear we're sacrificing the Great Society on the altar of the military-industrial complex," says one Reagan official.

CONTINUED

~~Compromise:~~ Not so long ago, such talk would have been dismissed by the White House as so much liberal Democratic posturing. But there is a growing bipartisan feeling—shared by Reagan conservatives like Grassley—that the administration is fueling budget deficits and cutting social programs to pay for a Pentagon budget already bloated by waste and inefficiency. “People back home still believe that we can find some savings in the defense budget,” says moderate GOP Sen. Nancy Kassebaum of Kansas. The people back home are probably right, but Reagan stubbornly refuses to acknowledge it—although at the weekend, he dispatched chief of staff James A. Baker III to negotiate a new deal with the Senate. The pragmatic Baker may have a bit more luck, though any agreement he can reach with the Senate must still pass conference deliberations with the House, where the Democratic majority has approved less than half of the administration’s defense-budget requests. After his heady congressional victories of the past two years, Ronald Reagan may be forced to concede that the best defense—for his policies and for the nation—is a good compromise.

MICHAEL REESE with HOWARD FINEMAN,
THOMAS M. DeFRANK and GLORIA BORGER
in Washington

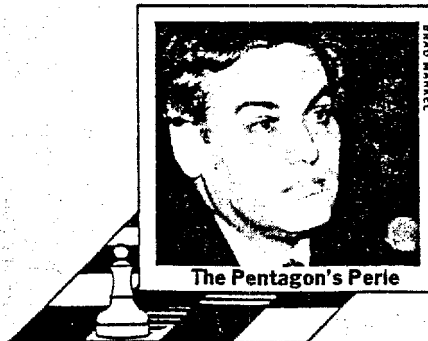
Who's in Charge Here?

Early in 1981, Under Secretary of State Lawrence Eagleburger, a veteran diplomat who had served every President since Eisenhower, commented that the Reagan Administration had the look of a coalition government. He meant an ideological coalition, and it has turned out to be an uneasy one at best, particularly where arms control is concerned.

The State Department, characteristically, is the stronghold of what might be called pragmatic traditionalists and Atlanticists, men like Eagleburger and Assistant Secretary for Europe Richard Burt, a former think-tank strategist and New York Times reporter. They believe that it is critically important to maintain close ties with America's allies and that it is still possible for the U.S. to sit down with the Soviets even as it stands up to them.

At the other end of the spectrum are the Pentagon civilians, who put more faith in fortress America than in the Western alliance and who tend to the view that the U.S. cannot really count on its allies and cannot really do business with the Soviet Union. They see it as self-deluding to think the West can compromise in the military rivalry. While committed to the deterrence of nuclear war, they pride themselves on being hard-headed enough to prepare for the possibility that ultimately this planet may not be big enough for both superpowers.

The paragon of this camp is Richard Perle, Assistant Secretary of Defense for international security policy. He has had more impact on the substance of U.S. policy in INF and START than any



other official in the U.S. Government, an achievement that is all the more remarkable since he holds a third-echelon job. Part of his success is that he is as personally charming, intellectually brilliant, bureaucratically masterful and politically well connected as he is ideologically unyielding. He was for years Senator Henry Jackson's top assistant and the leading congressional staffer in the campaign against SALT. He maintains close ties to the right wing of both parties, and the Administration that Perle serves feels inordinately beholden to the right.

But Perle's near dominance of the arms-control process has another explanation as well. He has been able to fill the partial vacuum of experience, expertise and interest in arms control that exists at the highest levels of the Government, including the Oval Office. Not since World War II has American national security policy been presided over by a group with so little grounding and standing in the field. National Security Adviser William Clark is a transplanted

California judge and loyal Reagan staffman; Director of Central Intelligence William Casey is a seasoned businessman and an energetic Republican campaigner; Caspar Weinberger does not have the background in defense policy to match his zealous commitment to the goal of rearming America (which is one reason why he has virtually turned over the Pentagon's arms-control portfolio to Perle); if confirmed, Kenneth Adelman, the Deputy U.S. Representative to the United Nations, will be the least qualified director in the 21-year history of the Arms Control and Disarmament Agency. He is a political scientist whose main prior experience was as an aide to then Defense Secretary Donald Rumsfeld, and as a strategic analyst at SRI International, a private think tank.

During the first year and a half of the Administration, the Joint Chiefs of Staff, all holdovers from the Carter period, found themselves in the uncharacteristic role of the leading moderates on defense policy. In league with the State Department, they blocked various moves to scrap SALT and INF altogether. The new Chiefs of Staff are unenamored of their civilian colleagues in the Pentagon, but they have also been somewhat cowed by them.

The closest thing to an old pro and card-carrying internationalist at the top is Secretary of State George Shultz, but his background is mainly in economics, and he has been preoccupied with other problems besides arms control. Also, he joined the Reagan team late. He does not seem eager to roll up his sleeves and do battle with his old colleague from earlier Administrations and the Bechtel Corp., Weinberger. Nor is it at all certain that he would prevail.



Arguing About Means and Ends

And U.S. aid to Nicaragua's contra rebels

The sporadic clashes in the mountains and jungles of Nicaragua's thinly populated northern provinces so far scarcely deserve to be called a war. The forces involved are minor. On one side are perhaps 2,000 exiles, known as *contras*, who have slipped back into the country from bases in Honduras, where they were trained as guerrillas; on the other are a scattering of militia and border guards of Nicaragua's Marxist Sandinista government. Casualties in the past month total a few hundred, of whom many were peasants killed almost at random. But the political struggle touched off in Washington by this low-level fighting is escalating rapidly, especially in Congress. Said one Administration official last week: "The temperature on Capitol Hill is higher than at any time during the past several months." The issue that is causing all the heat: Does the Reagan Administration's no-longer-secret aid to the *contras* violate U.S. law?

The law in question is the Boland Amendment, a little-noticed rider tacked onto an omnibus Government-spending bill last December. Ironically, it was adopted at the urging of the Administration, as a substitute for a far more restrictive measure proposed by Democrat Thomas Harkin of Iowa. Harkin's rider would have banned U.S. support of any "military activities in or against Nicaragua"; the CIA argued that this would prevent necessary covert actions aimed at re-

ducing the flow of arms supplied by the Nicaraguan government to Marxist-led guerrillas in El Salvador. So the House accepted, 411 to 0, a rider offered by Massachusetts Democrat Edward P. Boland, chairman of the Permanent Select Committee on Intelligence, that merely repeated language written into an earlier appropriations bill. It forbade aid to guerrilla groups "for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras," presumably in the form of a Nicaraguan counterinvasion of Honduras to destroy the *contras* bases.

The *contras*, however, loudly if extravagantly proclaim their objective to be precisely the overthrow of Nicaragua's increasingly repressive government. To that end, they have launched a much ballyhooed "invasion"—actually a series of hit-and-run raids by guerrillas operating inside Nicaragua. And a stream of reports by American newsmen who have visited *contra* bases in Honduras has left no doubt that the Administration is assisting them by supplying training, arms, and intelligence on troop movements in Nicaragua's northern provinces gathered by spy plane.

Consequently, growing Sol Linowitz

numbers of Congressmen are questioning whether the Administration is violating at least the spirit of the Boland Amendment, which it had pledged to obey. Thirty-six House Democrats and one Republican, Jim Leach of Iowa, raised the issue in a letter to the White House in late March. Last week Democratic Senators Patrick Leahy of Vermont and Daniel Patrick Moynihan of New York, both members of the committee that oversees CIA operations, voiced their doubts on the Senate floor. Democrat Wyche Fowler of Georgia, just returned from a fact-finding visit to Nicaragua, declared, "No branch of our Government may pick and choose which statutes it will obey."

Though most of the critics were careful to question only the legality of aid to the *contras*, a few went further to doubt its advisability as well. Said Maryland Democrat Michael Barnes, who has rounded up 40 or 50 cosponsors for a bill to shut off all such aid: "Our policy has strengthened the Sandinistas and rallied the country around them in the face of the external threat." Worries are not confined to Democrats. Howard Baker, majority leader of the Republican-controlled Senate, admitted last week that "there is a great concern" about the Administration's activities.

The White House appeared to be caught by surprise and without any strategy for justifying its actions to Congress. The reason: intelligence officials have never briefed the Administration's political op-



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CHICAGO TRIBUNE
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World

CIA admits big role in Nicaragua

By Alfonso Chardy
and Juan O. Tamayo

Knight-Ridder Newspapers

CIA OFFICIALS have told Congress that the intelligence agency has assumed virtual day-to-day control over guerrillas fighting the Nicaraguan government, pinpointing their targets and plotting their attacks, according to congressional sources.

The CIA says this increased control over the guerrillas guarantees that the "secret war" will remain within congressionally approved guidelines. But congressional intelligence sources fear that the covert operation may be out of control.

Last week Congress began questioning whether the CIA had exceeded its authority. By law, that authority is limited to using the Nicaraguan rebels to intercept weapons sent from Nicaragua to guerrillas fighting the U.S.-backed government in El Salvador.

Public statements by the Nicaraguan rebels, based in Honduras, have expressed no particular interest in stopping that weapons traffic. They say their aim is to overthrow the leftist Sandinista government in their homeland.

SOURCES IN Washington and Honduras say the CIA role shifted within the last month from arm's-length contacts with the guerrillas to daily face-to-face direction.

The sources, some of them briefed by CIA officials, said the CIA has provided these examples:

- CIA and U.S. military intelligence operatives confer daily with leaders of the 4,000 to 6,000 anti-Sandinista rebels operating inside Nicaragua and on the Honduran side of the 400-mile border. Previously it was reported that such contacts were made through Honduran intermediaries.

- American agents pinpoint targets for the rebels, plot how and when they should be attacked and debrief raiders when they return to Honduras from Nicaragua.

- CIA officials are asking Congress for at least \$20 million more to continue the operation well into 1984.

- Thousands of CIA-ordered listening devices and metal detectors are being deployed along Honduran-Nicaraguan border areas believed to be supply routes for arms to Salvadoran guerrillas.

- As many as five U.S. spy planes, their fuselages bristling with antennas, regularly sweep the border, as well as air and sea lanes between Cuba and Nicaragua. The Pentagon confirmed last week that sophisticated AWACS surveillance planes were being used "in the Caribbean area."

The CIA officials told congressmen that the thrust of the U.S. campaign continues to be to stop the flow of weapons to El Salvador and to gather intelligence on Sandinista and Cuban activities in Nicaragua.

"We are being told that, every day, Americans remind the rebels in Honduras what the purpose of the missions are and not to exceed their orders," said a skeptical congressional source. "They tell us that preserving U.S. control of the operation is now more of a priority than 'deniability.'"

CONGRESSIONAL sources said President Reagan signed a "presidential finding" in November, 1981, certifying the need for a covert CIA campaign to stem the unrest that he accuses Nicaragua and Cuba of sowing throughout Central America.

The finding was accompanied by a \$19.9 million budget, much of it to expand intelligence operations curtailed during the CIA upheavals of the mid-1970s, the sources said.

CIA Director William Casey asked Congress in January for \$20 million to continue the covert campaign into the fiscal year beginning Oct. 1, the sources added.

17 APRIL 1983

CIA Calls Shots Against Nicaragua

By ALFONSO CHARDY
And JUAN O. TAMAYO
Herald Staff Writers

CIA officials have told Congress that the intelligence agency has assumed virtual day-to-day control over guerrillas fighting the Nicaraguan government, pinpointing their targets and plotting their attacks, according to congressional sources.

The CIA defends its increased control over the Nicaraguan guerrillas by contending that it guarantees the "secret war" will remain within congressionally approved guidelines.

Congressional intelligence sources say, however, that they doubt the CIA's claims and fear the covert operation may be out of control — and in violation of U.S. laws.

New evidence of the increased scope of American involvement emerged last week as Congress began questioning whether the CIA had exceeded its authority. By law, that authority is limited to using the Nicaraguan rebels to interdict alleged weapons shipments from Nicaragua to guerrillas fighting the U.S.-backed government in El Salvador.

Sources in Washington and in Honduras say the CIA role shifted within the past month from arm's length contacts with the guerrillas to face-to-face and daily direction of a force whose avowed intention is to overthrow Nicaragua's leftist Sandinista government.

The sources, some of them briefed by CIA officials on the nature of American involvement, said the CIA had provided the following examples of its activities:

- CIA and U.S. military intelligence operatives now confer daily with leaders of the 4,000 to 6,000 anti-Sandinista rebels operating inside Nicaragua and on the Honduran side of the 400-mile border.

- American agents pinpoint targets for the rebels, plot how and when the targets should be attacked and debrief raiders when they return to Honduras from Nicaragua.

- CIA officials are asking Congress for an additional \$20 million — perhaps as much as \$25 million — to continue the operation well into 1984.

- "Thousands" of CIA-ordered listening devices and metal detectors are being deployed along Honduran-Nicaraguan border areas believed to be supply routes for arms to Salvadoran guerrillas.

- U.S. spy planes — as many as five of them — their fuselages bristling with antennas, regularly sweep the border, as well as air and sea lanes between Cuba and Nicaragua.

According to CIA officials at briefings for congressmen, the thrust of the U.S. campaign continues to be to interdict the flow of weapons to El Salvador and to gather intelligence on Sandinista and Cuban activities in Nicaragua.

"We are being told that, every day, Americans remind the rebels in Honduras what the purposes of the missions are, and not to exceed their orders," said a skeptical congressional intelligence source who asked to remain anonymous. "They tell us that preserving U.S. control of the operation is now more of a priority than deniability."

Liberal congressmen argue, however, that the scope of covert war already exceeds levels approved by the House and Senate Intelligence Oversight subcommittees. They call for an end to the operation.

Congressional sources said President Reagan signed a "presidential finding" in November 1981 certifying the need for a covert CIA campaign to stem the unrest that he accused Nicaragua and Cuba of sowing throughout Central America.

The finding was accompanied by a \$19.9-million budget, much of it to expand U.S. intelligence-gathering operations curtailed during the CIA upheavals of the mid-1970s, the sources said.

Other congressional sources said only \$1.5 million to \$3 million went to train and arm the Nicaraguan Democratic Front (FDN), at the time largely made up of Nicaraguan National Guardsmen who fled to Honduras after the Sandinistas toppled President Anastasio Somoza in 1979.

\$20-million request

CIA Director William Casey asked Congress in January for about \$20 million to continue funding the covert campaign into the fiscal year beginning Oct. 1, congressional intelligence sources added.

To preserve Washington's "deniability," the early U.S. money was channeled to the FDN through Argentine military intelligence officers drawn to Central America as counterweight to the Argentine leftists who flocked to Managua after the Sandinista triumph.

But Argentina reportedly recalled most of its agents after the United States sided with Britain during the Falklands/Malvinas war last year. Only a handful of Argentines remained with the FDN by year's end, among them Col. Carmelo Gigante, who was awarded a Honduran army medal in February.

CIA officials, in secret briefings with congressmen, reported that the U.S. intelligence contingent in Honduras was forced to expand to take up the Argentines' slack, congressional sources said.

Late last year, according to the CIA briefers, the agency ordered the FDN to shut down its Honduran training bases and move into Nicaragua to increase the pressure on the Sandinistas to stop shipping weapons to El Salvador.

The congressional sources say that by then, the "secret war" was

AN EDITOR'S COMMENTS

The Presidential Misfit Awards

By JOHN MCMULLAN
Executive Editor of The Herald

NUCLEAR (dis)armament talks with Russia will now be conducted on behalf of the United States by a young man who was still two years away from being born when the first atom bomb was dropped.



McMullan

Nor has Kenneth Adelman, 36, had any military experience. Or executive experience. Or negotiating experience.

Only three years ago, young Mr. Adelman was inquiring about a position as an editorial writer on *The Miami Herald*.

Now I have nothing against editorial writers, but I am not sure that I want any of them, including myself, handling negotiations over weapons that could pulverize us all.

In retrospect, it might have been a contribution to the safety of the world had we hired Mr. Adelman, because that line about the pen being mightier than the sword was written long before Hiroshima and Nagasaki were obliterated.

Meanwhile, there are legitimate questions to be raised about Mr. Reagan's handling of personnel.

Supposedly, this was one of Mr. Reagan's strong points during his tenure as California governor. But if indeed he surrounded himself with competent people in California, he has lost the knack while in Washington.

There seems little question that, with a few notable exceptions, Ronald Reagan holds the modern Presidential record

for choosing misfits.

Somehow the President, through adroit public relations and the forgetfulness of the public, manages to rise above these gaffes. He actually turned Interior Secretary James Watt's latest flub over the Beach Boys into a public-relations coup with his Hole-in-Foot Award. That made amusing reading and used up most of the 90 seconds that TV news programs can allot to any one subject, leaving no room for more-thoughtful consideration of Mr. Watt's substantive threats to the environment.

That award raises some other interesting possibilities.

HERE, then, are my own nominations for other Presidential Hole Awards For Incompetence And/Or Unpunished Misconduct:

Hole-in-Holster Award — To William Casey of the CIA, whose financial dealings resulted in belated policies being instituted whereby the CIA screens Casey's stock transactions. Casey's appointment of Max Hugel as CIA's chief of clandestine operations should have been enough to get both fired. Hugel resigned from the CIA hours after revelations of a tape recording of his voice telling former business associates, "If you do [what I ask], I'll kiss you on both cheeks. And if you don't, I'll cut your [expletive deleted] off."

Tax Loophole Exploitation Award — To Attorney General William French Smith. Mr. Reagan's long-time personal lawyer, whose Justice Department responsibilities include scrutiny of questionable tax shelters. In December 1980, Smith invested \$16,500 in an oil-and-gas tax shelter from which he would claim \$66,000

in tax deductions — but publicity caused him to renege.

Reupholstery Award — To Robert P. Nimmo, who upon being nominated to run the Veterans Administration, spent \$54,000 redecorating his office. He also leased a Buick (instead of the allowed compact car) and used the VA chauffeur for personal trips, in violation of law. He repaid the Government \$6,641, but resigned shortly before a General Accounting Office report was due to be released.

Holy Smoke Award — This award goes to the person who has done the most on behalf of polluting the environment. Anne Gorsuch Burford of the Environmental Protection Agency wins hands down for her refusal to produce records on abandoned chemical-waste dumps.

Wholly Improper Conduct Award — To Tom Reed, Presidential adviser, who used insider information provided by his father to parlay a \$3,000 purchase of options into a \$427,000 profit overnight. When news of this became public, Reed announced he would be leaving.

Unwholesome Associations Award — To Labor Secretary Ray Donovan, who explains and re-explains, but never convincingly, all those contacts with organized-crime figures and associates.

Square Peg in Round Hole Trophy — To Ernest Lefever, who had to withdraw as nominee to become the President's human-rights adviser when the Senate learned he believed the United States had no responsibility to promote human rights in other countries, and had taken \$25,000 from Nestle Co. to oppose a ban on Nestle's infant formulas in Third World countries.

Pull Hole In After Him Award — To Charles Wick, the Information Agency chief, who is undermining credibility of the agency by presenting propaganda instead of objective news. He also claimed to have funneled \$50,000 secretly to an international press association, then had to retract.

Holier Than Thou Bowl — To the Rev. Sam B. Hart, a radio evangelist whose nomination to the U.S. Civil Rights Commission was withdrawn when it was reported he owed \$4,400 in back taxes, was behind in his station rent payments, and hadn't registered to vote until he was being considered for the post.

And the list goes on . . .

WHERE does Mr. Reagan get these misfits? Does no one check on their qualifications before they become a public embarrassment?

Of course. Over in the Executive Office Building, next to the White House, is Ms. Helene von Damm, deputy assistant to the President and director of Presidential personnel. Her office screens the applicants for routine appointments and relays for higher-level consideration the recommendations that come in from influential politicians and fund-raisers.

She has served Mr. Reagan faithfully for many years. It would be unkind to point out that most of the time was as his secretary.

Nevertheless, Ms. von Damm's invaluable contributions to the mediocrity of Presidential appointments will be recognized shortly. President Reagan is nominating her to become the ambassador to Austria, her home country.

In the company with which she has helped surround the President, she seems eminently qualified.

ARTICLE APPEARED
ON PAGE A-18WASHINGTON POST
14 APRIL 1983

First Syncorp Funds Awarded To Project Backed by Casey

Associated Press

The Synthetic Fuels Corp., handing out money for the first time, awarded \$820,750 yesterday to a North Carolina project whose investors include CIA Director William J. Casey.

Corporation Chairman Edward E. Noble signed an agreement with developers of the \$576 million First Colony Project to convert peat from along North Carolina's coast into methanol, an alcohol used as a gasoline additive.

The corporation, chartered by Congress in 1980 to develop the fledgling synthetic fuels industry, plans to hand out more than \$13 billion in loan guarantees and price supports to about a dozen projects over the next 18 months.

But Victor Schroeder, the corpo-

ration's president, said that to meet that goal the agency may have to stop making grants only on the basis of competitive bids.

"If this board finds that a particular synfuels project is essential to our program, we may find it advisable to report this to the Senate Energy and Natural Resources Committee and the speaker of the House," Schroeder said yesterday.

The First Colony project at Creswell, N.C., is a joint venture by the Koopers Co., Transo Energy Co. and the Energy Transition Corp. Casey is among the investors in Energy Transition, which has a 9 percent interest in the project.

Production of methanol is scheduled to begin in 1985. Eventually, the plant is expected to produce 4,600 barrels of methanol per day.

GARDEN CITY NEWS (NY)
14 APRIL 1983

U.S. Funds CIA Chief's Venture

Synthetic fuels group grants \$820,750 to organization partially owned by Casey

By Bob Porterfield
and Brian Donovan

The U.S. Synthetic Fuels Corp. gave its first award of money yesterday to a project in which CIA Director William Casey has a financial interest.

The corporation, a government body established in 1980 to stimulate development of synthetic fuels, announced that the First Colony project in North Carolina would receive a preliminary grant of \$820,750. The funds are to be used to complete design work and cost estimates for the project aimed at converting peat into methanol — an alcohol that can be used as a motor fuel.

The corporation had announced in December that it would provide loan and price guarantees totaling \$465 million of the estimated \$579 million needed for the First Colony project. The project is a partnership of Energy Transition Corp., which is controlled by

Casey, a resident of Roslyn Harbor and Reagan campaign manager in 1980, and four other officials of the Nixon and Ford administrations; Koppers Co.; Transco Energy Co. and Jack Sunderland, a Scarsdale investor.

Casey's involvement has been criticized by some Democrats in Congress, who say it presents the appearance of a conflict of interest in that the CIA is involved in energy research and energy intelligence, but Casey has said that he is merely a passive investor and that he has played no part in developing the project. His investment in Energy Transition Corp. is \$10,000, but the financial agreements among the partners in the synfuels venture have never been made public.

Casey's partners in Energy Transition Corp. are Frank Zarb, who was the country's first "energy czar" as head of the Federal Energy Administration; Charles

Robinson, former deputy secretary of state; William Turner, former U.S. representative to the Organization of Economic Cooperation and Development in Paris, and Robert Fri, former head of the Energy Research and Development Administration. The Synthetic Fuels Corp. has been authorized to spend \$15 billion to get a synthetic fuels industry started and is considering a variety of projects to produce liquid or gaseous fuels from coal, oil shale, tar sands and peat.

Besides the First Colony project, the corporation has said it plans to subsidize a tar sands project in New Mexico and a heavy-oil refinery in California. Yesterday, the corporation announced a letter of intent to provide \$120-million for a California coal gasification plant in which the partners include Texaco Inc., General Electric Co., Bechtel Corp. and a Japanese consortium.

The North Carolina project will involve surface-mining thousands of acres of peat and converting it first to a gas and then to 4,600 barrels a day of methanol, or wood alcohol. Production is to begin in 1985.

The plan has won support from North Carolina officials, who say they will convert state cars to run on methanol. But the project has been attacked by environmentalists, who say it poses serious air and water pollution problems, and some state environmental permits have not yet been issued.

Rick Young, a lobbyist for the Environmental Policy Center in Washington, said, "we question why the corporation is giving money to a project where there is still so much uncertainty that it can meet state regulatory requirements. They're force-feeding this project and the state hasn't even made a determination whether it's acceptable from an environmental standpoint."

file only

House panel wants to hear Shultz, Clark

Cites concern on policy in Central America

By David Rogers
Globe Staff

WASHINGTON - The House Intelligence Committee, acting on what its chairman described as "deep concerns" about the Administration's policy in Central America, yesterday called for Secretary of State George P. Shultz and national security adviser William Clark to testify before the panel next week.

Rep. Edward Boland (D-Mass.), chairman, announced the request after a private meeting of the committee. Boland repeated his belief that there has been an "apparent breach" of restrictions on covert aid to insurgents in Nicaragua.

"It is fair to say that the discussion we had reveals deep concerns about US policy in Central America," said Boland.

While Boland's major emphasis was on the Administration's overall strategy in the region, he said the committee had a responsibility to ensure compliance with the law.

Boland played a major role in the adoption of restrictions on covert aid last December. The amendment bearing his name forbids any assistance "for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

The same restrictions were originally in a classified annex to the Intelligence Authorization Act adopted earlier last year. Sources confirmed yesterday that the same classified document includes further language specifying that the funds were to be used for the purpose of interdiction of arms shipments to leftist insurgents in El Salvador.

"If the vote was taken today, there probably would be sufficient votes to cut off funding," said Rep. Norman Mineta (D-Calif.), a member of the Intelligence Committee. Other members said the two-hour discussion was too broad to draw any specific conclusions on what action the panel will take.

"The question has gone far beyond 'purpose'

and 'effect' and technical violations," said Rep. Wyche Fowler (D-Ga.), a committee member who recently returned from Nicaragua and El Salvador and met privately yesterday with CIA Director William Casey.

"The judgment was we had to go right to the top," he said of the decision to call Shultz and Clark.

Meanwhile, the White House said yesterday that Congressional attempts to limit US actions in Central America may infringe on the President's right to conduct foreign policy.

Larry Speakes, deputy press secretary, was commenting on Tuesday's vote by a House Foreign Affairs subcommittee to limit military aid to El Salvador to \$50 million in each of the next two years and to bar spending for covert operations against Nicaragua's Marxist regime. But he predicted an Administration victory when the issue is considered by the full House.

The subcommittee, which had voted Tuesday against an Administration request for \$50 million in supplemental military aid to El Salvador this fiscal year, voted yesterday to provide \$50 million in additional economic aid instead.

Meanwhile, two Democratic House members who have just returned from Nicaragua challenged the Administration's assertion that it has broken no US laws through its actions in Central America. Reps. Berkley Bedell of Iowa and Robert Toricelli of New Jersey said they found clear evidence of US support for anti-Nicaraguan insurgents operating from Honduras.

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14 April 1983

Hugh Sidey reaction to DCI remarks at Georgetown:

First rate presentation -- candid and open -- evenhanded -- especially thoughtful -- everyone I talked to shared my views -- Miami episode was an eyeopener -- so were comments on CIA censorship -- good, appropriate speech just right for the occasion -- shouldn't get any headlines, but gave a sophisticated audience some provoking issues to ponder.

115 11

Charles E. Wilson

Chief, Public Affairs

13 APRIL 1983

U.S. Prepared to Talk to Nicaraguan Regime

By DON SHANNON, *Times Staff Writer*

WASHINGTON—The Reagan Administration, responding to congressional criticism of its Central American policies, declared its willingness Tuesday to negotiate with the leftist Sandinista government of Nicaragua, which it termed the key to peace in Central America.

Thomas O. Enders, assistant secretary of state for inter-American affairs, told the Senate Foreign Relations Committee that "we are not going to give up" on efforts to get the Nicaraguan regime to engage in a "fair and equitable dialogue" about its role in the region. The United States has accused the Sandinistas of exporting revolution to El Salvador and other countries.

Enders said that his attempts to begin bilateral talks, first made in August, 1981, have failed, and that subsequent efforts to bring Nicaragua into regional talks with its Central American neighbors have yet to succeed.

"... We are not going to give up," he said. "We must go on probing, proposing ways to talk that overcome the old objections—until the Sandinistas tell us they are ready to move to a fair and equitable dialogue."

Restrictions Backed in House

As Enders defended Administration policies, Democratic members of the House Foreign Affairs subcommittee on Western Hemisphere affairs pushed through a series of proposed restrictions on aid to El Salvador, Honduras and Guatemala.

The subcommittee's seven Democrats voted for a series of cuts in military aid to the U.S.-backed government in San Salvador and called for a complete suspension of aid unless the government improves its human rights record and brings to trial the accused killers of four American churchwomen.

On a party-line vote, with three Republicans opposed, the subcommittee voted to limit military aid to El Salvador to \$50 million in each of the next two years and to kill

President Reagan's request for \$50 million in supplemental military aid this year. Congress has already approved \$26 million for the Salvadoran army this year and, besides the \$50 million in supplemental aid, is considering a Reagan request to transfer to El Salvador \$60 million already appropriated for military programs in other countries.

The panel, headed by Rep. Michael D. Barnes (D-Md.), a sharp critic of Reagan's Central American policies, also voted to ban military aid to Guatemala and to limit such aid to Honduras to \$21 million for each of the next two years. In another vote, it called for a ban on any U.S. support for military actions against the Sandinistas in Nicaragua.

Rep. Henry J. Hyde (R-Ill.) called the restrictions an "absolute straitjacket" bordering on unconstitutional interference in the presidential conduct of foreign policy.

But Rep. Stephen J. Solarz (D-N.Y.), sponsor of the legislation, replied: "The problem is that we are not on the same wavelength as the Administration. If understanding could be achieved, we wouldn't need this."

The question of U.S. involvement in the counterrevolutionary insurgency against the Sandinistas also came up in closed-door testimony by CIA Director William J. Casey and Enders before the Senate Intelligence Committee. After the meeting, Chairman Barry Goldwater (R-Ariz.) said the Administration has not violated a congressional ban on supplying funds for the purpose of overthrowing another government.

The United States has been accused of financing and supplying anti-Sandinista rebels operating from Honduran border areas. Goldwater said the key element of the 1982 amendment that contains the ban "relates to the purpose of the U.S. government and not to the expressed purpose of the recipients of any such support."

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ON PAGE 1

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13 April 1983

CIA Nicaragua role focus of Hill hassle

By Peter J. Almond
WASHINGTON TIMES STAFF

The administration and congressional Democrats squared off yesterday over the legality of alleged CIA covert operations supporting anti-Sandinista guerrillas in Nicaragua.

Several congressmen said the administration was breaking at least the spirit of the so-called Boland Amendment supposedly prohibiting such actions against the Nicaraguan government, and a House subcommittee proposed a new law tightening up the amendments.

But four top administration officials went before congressional committees and the public to deny any U.S. laws were being broken. At the same time, they refused to acknowledge publicly the existence of the not-so-secret covert operations.

CIA Director William Casey assured the Senate Intelligence Committee in secret session that the law was not being broken; U.N. Ambassador Jeane Kirkpatrick said the United States has a "moral right" to send military and economic aid to groups that may be attempting to overthrow the Nicaraguan government; Assistant Secretary of State Thomas Enders told the Senate Foreign Relations Committee the law was not being violated; and Secretary of State George Shultz attacked those he said were undermining the nation's ability to provide a security shield to America's friends in Central America.

"As far as I know, there is no violation of the Boland Amendment," Shultz said at a press conference yesterday. "The moves being made (yesterday's congressional action) that seem to be designed to prevent us from continuing to support our friends in El Salvador and elsewhere in Central America, in their effort to provide a military security shield so that they can go forward with the process of democracy. . . . I think this is undermining our ability to provide that shield, and it is a bad mistake."

Kirkpatrick, speaking on CBS television, said: "Do I think the United States should protect the government of Nicaragua against the anger of its own people? No, I don't think so. I think we have a moral right . . . to support the Afghan freedom fighters. The Soviets and Cubans are supporting the disintegration of virtually all governments in Central America. . . . I think we have a moral right to do that, and whether it's politically prudent or wise in a given situation is another question."

Commenting on Kirkpatrick's statements, Shultz said that America's immediate problem with Nicaragua is "the undoubted use of Nicaragua as a base from which arms flow, largely through Cuba to Nicaragua, and then to El Salvador. It's the 'export of revolution without frontiers,' I think is the phrase. That is the heart of the difficulty with which we are trying to cope."

In testimony yesterday, Enders refused to be drawn by Sens. John Glenn, D-Ohio, Claiborne Pell, D-R.I., and Paul Tsongas, D-Mass., into discussing U.S. support for anti-Sandinista guerrillas, but he described in detail the opposition groups and circumstances within Nicaragua that he said show the extent of opposition.

Enders said the United States has attempted three times to get the Nicaraguan government into a dialogue with its neighbors to establish security for the region. But since its founding in 1979, the Nicaraguan army has grown to four times the size of the army under former President Anastasio

Somoza, and eight times as strong. Enders said the United States is trying to establish regional negotiations a fourth time, but "the Sandinistas have made their contempt for genuine dialogue — for real negotiation — quite clear."

Enders pointedly referred to the specific language of the Boland Amendment to refute Tsongas' argument that the law was being broken by CIA operations. He said the amendment calls for U.S. money not to be used for military aid to any non-governmental group "for the purpose of overthrowing the government of Nicaragua."

He emphasized the words "for the purpose of," implying that whatever U.S. aid may be given to the guerrillas it was not for the purpose of overthrowing the Nicaraguan government.

Rep. Michael Barnes, D-Md., chairman of the House Western Hemisphere subcommittee, yesterday pushed through a proposed revision in that language that changes "for the purpose of" to "has the effect of supporting the overthrow of the government of Nicaragua." His amendment is to be considered by the House Foreign Affairs Committee next week.

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ARTICLE APPEARED ON PAGE 1 Approved For Release 2005/12/23 : CIA-RDP91-00901R000400090001-7
13 April 1983

What's News—

* * *

World-Wide

* * *
U.S. military action against Nicaragua would be banned under a measure passed by the House foreign affairs subcommittee. CIA director William Casey assured a Senate panel earlier that the U.S. isn't seeking to overthrow the Sandinista government.
* * *

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ON PAGE 14

Can act in area, U.S. says

By BARBARA REHM

Washington (News Bureau)—The Reagan administration said yesterday that the United States has the moral right to "safeguard democracy and stability in our immediate neighborhood." It warned the Soviet Union and Cuba against sending jets or combat troops into Nicaragua to help the Marxist regime cope with a rising rebellion.

Against a background of congressional opposition to America's not-so-secret war against the Sandinista government in Nicaragua, the administration insisted the U.S. was breaking no law in its policies toward Nicaragua.

Secretary of State Shultz told a news conference that "so far as I know there is no violation" of the law.

CIA Director William Casey reportedly offered similar assurances to the Senate Intelligence Committee in a secret session.

In a series of public appearances by senior officials, the administration sought to underscore adherence to the law, but pointedly refused to answer direct questions on U.S. financing for insurgents in Nicaragua.

UNITED NATIONS Ambassador Jeane Kirkpatrick insisted the U.S. had a "moral right" to send military and financial aid to groups that may try to overthrow the Sandinista government.

"Do I think that the U.S. should protect the government of Nicaragua against the anger of its own people? The answer is, no, I don't think so," she said. "In the situation in which, for example, there are 120,000 Soviet occupational troops in Afghanistan... I think we have a moral right to support the Afghan freedom fighters.

"In a situation in which the Soviets and Cubans are supporting in a very, very important large-scale way the destabilization of virtually all governments of Central America and... talking about implanting in Central America missiles aimed at the U.S., I think we have the moral right to do that," she said in a TV interview.

Thomas O. Enders, assistant secretary of state for inter-American affairs, testifying before the Senate Foreign Relations Committee, declined to discuss U.S. covert operations in Central America but insisted "we must safeguard democracy and stability in our immediate neighborhood."

He accused the Sandinistas of exporting revolutionary subversion that threatens vital U.S. security interests in Mexico and the Panama Canal and of betraying the Nicaraguan people by dashing their hopes for peace and democracy.

HOUSE UNIT VOTES AGAINST MORE AID FOR EL SALVADOR

A SETBACK FOR PRESIDENT

Foreign Affairs Subcommittee Also Sets Limit on Help to Anti-Sandinist Rebels

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, April 12 — A House Foreign Affairs subcommittee dealt a blow to Administration policies on Latin America today, voting to reject a request for additional military funds for El Salvador and to prohibit United States aid to Nicaraguan rebels in the absence of a joint resolution of Congress.

In a spirited session punctuated by a series of voice votes along party lines, the group rejected President Reagan's supplemental request for \$50 million in military aid for El Salvador; reduced from \$56.3 million to \$50 million the military aid request for fiscal 1984 and 1985, and voted to make United States aid conditional on further assurances that American advisers be limited to 55 and that Salvadoran democratic procedures be strengthened.

The subcommittee also adopted a proposal to prohibit any United States aid to Nicaraguan rebels "directly or indirectly" unless specifically requested by the President and approved by both houses of Congress. The measures now go to the full committee.

Majority Said to Approve

Representative Michael D. Barnes, Democrat of Maryland and chairman of the Western Hemisphere Affairs subcommittee, said repeatedly that the actions reflected the views of a majority of the Congress.

But Representative Henry J. Hyde, Republican of Illinois, said that in a single day "we have rendered vulnerable the democratically elected Government of El Salvador and protected the Marxist Government of Nicaragua."

Meanwhile, Senator Barry Goldwater, Republican of Arizona, chairman of the Senate Intelligence Committee, said today, after his committee was briefed by William J. Casey, Director of Central Intelligence, that he was convinced the C.I.A. was not violating "the letter or the spirit" of legislation barring the agency from trying to overthrow the Sandinist Government in Nicaragua.

Operating Within the Law

"There has been a good deal of confusion and misinterpretation in the press recently regarding the issue of whether the C.I.A. is operating within the constraints of the law," Mr. Goldwater said in a statement. "I am convinced that no such activities are being undertaken by the United States Government for the purpose of overthrowing the Government of Nicaragua or for provoking a military exchange between Nicaragua and Honduras."

In other developments, Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, told the Senate Foreign Relations Committee that the United States had warned the Soviet Union and Cuba against sending advanced fighter aircraft to Nicaragua. He said the Administration had notified Moscow and Havana that "a serious situation" would develop if they increased their military assistance to Nicaragua with the introduction of the fighter aircraft or Cuban combat troops.

Attending the House subcommittee session, James H. Michel, Deputy Assistant Secretary of State for Inter-American Affairs, declined to give assurances that the Administration was abiding by the charter of the Organization of American States, which prohibits its intervention to undermine the government of a member state.

Mr. Michel insisted that "the intelligence committees are the appropriate forum" for a discussion of the United States role in Nicaragua. But he added that "the United States is not acting in violation of U.S. law, to the best of my knowledge."

Operations Called Illegal

Representative Gerry E. Studds, Democrat of Massachusetts, replied, "The O.A.S. charter is a treaty and is the law of the land."

"The covert operations are about as covert as this markup session," he said, adding, "In addition to being illegal, inept and unnecessary, it's doomed to failure."

Mr. Studds said that such operations were doomed "because they were out of character for the American people."

But Mr. Hyde countered:

"In America stands for one thing, it ought to be freedom. It ought to provide a glimmer of hope to people in prisons in Cuba and Poland, to the Vietnam boat people, to the people fighting with sticks and stones in Afghanistan."

Meanwhile, addressing the Senate committee, Mr. Enders said that "it is conceivable that Cuba or the Soviet Union could be tempted to escalate the conflict" in Nicaragua by "introducing modern fighter aircraft or even Cuban combat troops."

"Clearly a dangerous situation would then develop," he said, "unacceptable not only to Central America but to the American nations as a whole. We have communicated to Moscow and Havana how dangerous such a move would be."

Sandinists Are Criticized

In the past the Reagan Administration has reported that Nicaragua, with Soviet and Cuban assistance, was improving and extending airfields to accommodate advanced Soviet fighter planes. The Administration has also said that Nicaraguan pilots were receiving advanced training in Bulgaria and Cuba.

In his testimony, which focused on Nicaragua, Mr. Enders sharply criticized the Sandinist Government for what he said was its failure to pursue negotiating proposals made by the United States and other Central American nations.

Charging that Nicaragua has rejected four different attempts to arrange negotiations about regional conflicts, Mr. Enders said, "The Sandinistas have made their contempt for genuine dialogue — for real negotiations — quite clear."

Mr. Enders also defended anti-Government forces in Nicaragua, saying they enjoyed broad-based support within Nicaragua. While refusing to comment on whether the United States had provided covert support to the rebels, Mr. Enders said the anti-Government forces "are Nicaraguans to the core."

Mr. Enders also provided the committee with new information about arms shipments that the Administration asserts the Soviet Union and Cuba have sent through Nicaragua to guerrillas in El Salvador.

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BOSTON GLOBE
13 APR'L 1983

House panel urges new curbs on US acts against Nicaragua

By David Rogers
Globe Staff

WASHINGTON - The Reagan Administration's policy of covert operations against Nicaragua received its sharpest response from Congress yesterday, as a House Foreign Affairs subcommittee voted new limits on the actions and the chairman of the House Intelligence Committee said he is considering cutting CIA funds for operations there.

Despite strong protests by the State Department, the House subcommittee on Western Hemisphere affairs approved a far-reaching ban on military operations in or against Nicaragua. Rep. Edward Boland (D-Mass.), chairman of the House Intelligence Committee, has called a meeting today of his panel members to consider action of their own.

The proposal now goes to the full Foreign Affairs Committee.

In his first public comments on the controversy, Boland said he was concerned about "apparent violations" of restrictions adopted in the last Congress. With its direct authority over the CIA budget, the Intelligence Committee is in the strongest position to act to limit operations by cutting off funds.

It was that committee which first attached the restriction as part of the Intelligence Authorization Act adopted last year, and though much of that document remains classified, it is believed to define even more narrowly how the funds are to be used.

"It appears to be in violation of the amendment," said Boland in reference to the military assistance aid. The language adopted last year forbids any military aid or training for the "purpose of overthrowing the government of Nicaragua."

"Beyond that," he said, "it certainly appears to be in violation of the conference re-

port [on the Intelligence Authorization Act.]"

As Intelligence Committee chairman, Boland was the prime sponsor of the amendment that became public in December. Though the language was not as restrictive as many critics wanted, it was seen as a warning to the CIA and Administration not to go too far in their aid to insurgents opposed to the Sandinista regime in Nicaragua. In recent weeks, as the fighting has expanded, concern has grown in Congress, and the controversy poses a major test for intelligence committees in both houses.

Sen. Barry Goldwater (R-Ariz.), chairman of the Senate Intelligence Committee, after a lengthy briefing with William Casey, head of the CIA, and the State Department, said no violation has occurred. But House Democrats are clearly more concerned about what they see as institutional and policy questions.

"Eddie [Boland] did them [the Administration] a favor by defusing that whole issue, and he's been hung out to dry on that amendment," said Rep. Norman Mineta (D-Calif.), a member of the House Intelligence Committee. "He did them a favor and they haven't reciprocated. We cannot provide a 'cover' for the Administration because otherwise the Intelligence Committee loses credibility with other members."

A cautious man, Boland met late yesterday with Casey and will be reluctant to proceed now without first establishing a consensus in his committee today. But for the first time he indicated that he hoped members would consider cutting funds from the CIA authorization as one option to block further military assistance to the insurgents.

Although they have no direct authority over CIA funding, liberals on the House Foreign Affairs

Committee are already pressing for tighter restrictions. The proposal put forward yesterday ensures a major role for Congress in approving any further covert operations in Nicaragua.

Modeled on a 1976 amendment directed toward covert operations in Angola, the amendment would forbid any military assistance unless the President first certifies that the action is needed to meet national security interests and Congress approves his request under an expedited procedure.

"We think this is bad policy; we think this is bad law," said James Michel, a State Department official. But on a simple voice vote, the Democratic majority easily prevailed on this and a series of recommended amendments affecting military and economic assistance to the Central American region.

Among the other provisions adopted were significant cuts in proposed military assistance to El Salvador. The Foreign Affairs subcommittee rejected all of a \$50-million supplemental sought by the Administration and reduced proposed aid next year by more than a half. Tighter restrictions were adopted as conditions for this assistance, and for the first time, Congress would be given a veto power essentially to overrule the Administration if not satisfied that conditions regarding human rights violations and negotiations have been met.

Republicans bitterly protested, but the subcommittee is one of the most liberal in the House and conservatives will be in a stronger position in full Foreign Affairs Committee and on the House floor.

Though the Administration has refused to comment publicly, the initial justification for arming and training Nicaraguan insurgents was to help interdict arms shipments to leftist guerrillas in El Salvador. Officials have hinted broadly that they hope the anti-Sandinistas now will create pressure to bring Nicaragua into negotiations.

U.S. Prepared to Talk to Nicaraguan Regime

By DON SHANNON, *Times Staff Writer*

WASHINGTON—The Reagan Administration, responding to congressional criticism of its Central American policies, declared its willingness Tuesday to negotiate with the leftist Sandinista government of Nicaragua, which it termed the key to peace in Central America.

Thomas O. Enders, assistant secretary of state for inter-American affairs, told the Senate Foreign Relations Committee that "we are not going to give up" on efforts to get the Nicaraguan regime to engage in a "fair and equitable dialogue" about its role in the region. The United States has accused the Sandinistas of exporting revolution to El Salvador and other countries.

Enders said that his attempts to begin bilateral talks, first made in August, 1981, have failed, and that subsequent efforts to bring Nicaragua into regional talks with its Central American neighbors have yet to succeed.

"... We are not going to give up," he said. "We must go on probing, proposing ways to talk that overcome the old objections—until the Sandinistas tell us they are ready to move to a fair and equitable dialogue."

Restrictions Backed in House

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The subcommittee's seven Democrats voted for a series of cuts in military aid to the U.S.-backed government in San Salvador and called for a complete suspension of aid unless the government improves its human rights record and brings to trial the accused killers of four American churchwomen.

On a party-line vote, with three Republicans opposed, the subcommittee voted to limit military aid to El Salvador to \$50 million in each of the next two years and to kill

President Reagan's request for \$50 million in supplemental military aid this year. Congress has already approved \$26 million for the Salvadoran army this year and, besides the \$50 million in supplemental aid, is considering a Reagan request to transfer to El Salvador \$60 million already appropriated for military programs in other countries.

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Rep. Henry J. Hyde (R-Ill.) called the restrictions an "absolute straitjacket" bordering on unconstitutional interference in the presidential conduct of foreign policy.

But Rep. Stephen J. Solarz (D-N.Y.), sponsor of the legislation, replied: "The problem is that we are not on the same wavelength as the Administration. If understanding could be achieved, we wouldn't need this."

The question of U.S. involvement in the counterrevolutionary insurgency against the Sandinistas also came up in closed-door testimony by CIA Director William J. Casey and Enders before the Senate Intelligence Committee. After the meeting, Chairman Barry Goldwater (R-Ariz.) said the Administration has not violated a congressional ban on supplying funds for the purpose of overthrowing another government.

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Panel urges U.S. limits in Nicaragua

Attacks Reagan policy
in Central America

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — A House subcommittee recommended Tuesday tight limits on U.S. activities in Central America, including an end to covert support for rebels fighting Nicaragua's leftist government.

The House Western Hemisphere Affairs Subcommittee also voted that Congress restrict the Reagan Administration's actions in war-torn El Salvador. The subcommittee recommended that Congress:

- Kill \$50 million of Reagan's requested \$110-million package of additional military aid for that country this year.

- Slash 1984-85 military aid from \$56.3 million to \$50 million.

- Formally limit the number of U.S. military advisers to 55.

- Change U.S. policy to seek a political solution to the conflict.

Other setbacks to administration policy from the subcommittee included a recommended cut in 1984 military aid to Honduras from \$41 million to \$21 million, and an outright prohibition on all American military assistance and sales to Guatemala with a ban on stationing of American military advisers there.

The voice votes in the House panel, which now go to the full House Foreign Affairs Committee, came a few hours after Central Intelligence Agency Director William Casey and other high-level CIA officials assured the Senate Intelligence Committee that the administration is complying with the letter and spirit of a congressional ban on CIA activities to promote the overthrow of Nicaragua's Sandinista government through U.S. support of guerrillas.

After the closed Intelligence Committee briefing, Chairman Sen. Barry Goldwater (R., Ariz.) issued a statement that he is "convinced that no activities are being undertaken by the U.S. government for the purpose of overthrowing the government of Nicaragua."

In separate interviews later, however, committee vice chairman Sen. Daniel Moynihan (D., N.Y.) and a panel member, Sen. Patrick Leahy (D., Vt.) questioned Goldwater's assessment.

"That is not the last word," Moynihan said.

"Questions still remain about the administration's role in Central America and I expect the Intelligence Committee to reconvene next week to continue analyzing this question."

A growing dispute over the administration's policy on Nicaragua centers on the Boland Amendment, named for Rep. Edward Boland (D., Mass.), chairman of the House Intelligence Committee. The amendment prohibits the CIA or the Pentagon from financing military activity designed to overthrow the Nicaraguan government or provoke a war between Nicaragua and neighboring Honduras, the main staging base of the anti-Sandinista rebels.

Administration officials said Tuesday night that Casey and other

administration officials told the Senate Intelligence Committee that the CIA was honoring the Boland restrictions because its only goal in helping the rebels is to "harass the Sandinistas, push them toward negotiation with their armed opposition, and interdict their arms consignments to the Salvadoran guerrillas."

"In my judgment," said Goldwater, "the Senate Intelligence Committee has been kept fully and currently informed of all U.S. government activities involving Nicaragua and the director of the CIA has reconfirmed this to me today and I am satisfied that the agency is not violating the letter or the spirit of the Boland Amendment."

Despite the assurances, the House Western Hemisphere Affairs Subcommittee endorsed legislation from its chairman, Rep. Michael Barnes (D., Md.), which, if approved without modification by the House and Senate, would supersede the Boland curbs and ban all direct and indirect U.S. assistance for "military or paramilitary operations in or against Nicaragua by any nation, group, organization, movement or individual."

Before Barnes brought the bill up in his subcommittee Tuesday, he added a series of clauses that could still permit the U.S. government to undertake covert actions if the President "determines that such assistance should be furnished in the national security interests of the United States."

At a separate Senate Foreign Relations Committee hearing on U.S.-Nicaraguan relations, Thomas Enders, assistant secretary of state for inter-American affairs, said that because of the situation in Central America, "it is conceivable that Cuba or the Soviet Union could be tempted to escalate the conflict" by introducing Cuban combat forces or modern high-performance fighter aircraft in Nicaragua.

NEWS

U.S. SENATOR BARRY GOLDWATER/AR

SENATE SELECT COMMITTEE ON

PRESS RELEASE
APRIL 12, 1983

HEARING ON BOLAND AMEN

There has been a good deal of confusion and in the press recently regarding the issue of what is operating within the constraints of the law. Confusion seems to arise within the context of all activities directed against the Marxist-inspired in Nicaragua.

As Chairman of the Senate Select Committee I called for a full Committee hearing today to hear Our witnesses included, but were not limited to, Director of Central Intelligence; Mr. John N. Moh of Central Intelligence; Mr. Stanley Sporkin, Gen Ambassador Thomas O. Enders, Assistant Secretary of the Bureau of Inter-American Affairs; and numerous other high-ranking officials of the Intelligence Community and the Department of State. The hearing lasted from 11:00 a.m. this morning until approximately 1:00 p.m. this afternoon, and provided us with a complete update on material presented at a previous full Committee hearing in February 1983 on the same subject.

The statute in question is the Boland Amendment which was enacted last year. This Amendment to the Continuing Resolution states the following:

"None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

Thus, a key element of this law relates to the purpose of the U.S. Government and not to the expressed purpose of the recipients of any such support.

CONTINUED

Congress pushes for answers and control on covert action

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — A showdown looms this week between the President and Congress over policy in Central America, as increasingly frustrated legislators move toward cutting off American aid to Nicaraguan rebels.

The House and Senate Intelligence Committees will convene in special closed sessions beginning today to question high-level intelligence officials about U.S.-funded covert actions against Nicaragua.

They also will consider legislation that could shut down the operation and further restrict the administration's freedom to initiate covert activities elsewhere.

Sen. Gary Hart (D., Colo.) said he would introduce a resolution today calling upon President Reagan to cut off financial support of counter-revolutionary forces in Nicaragua.

At the same time, Sen. Christopher Dodd (D., Conn.) and Rep. Tom Harkin (D., Iowa), two critics of the administration's policies in Central America, said they will seek rare secret sessions of the full House and Senate to brief all legislators about U.S. covert activities in the region.

Rep. Michael Barnes (D., Md.), chairman of the House Western Hemisphere Affairs Subcommittee, has introduced the first comprehensive bill in Congress to end CIA activities directed at Nicaragua.

Barnes' bill has been referred to the House Intelligence Committee where aides to Chairman Edward Boland (D., Mass.) are considering its adoption as a committee bill.

The Barnes amendment would supersede the so-called Boland amendment of late 1982, which constituted the first attempt to restrict CIA activities in Central America. It prohibited the use of U.S. funds to "overthrow" Nicaragua's Sandinista government but did not rule out aid to the counter-revolutionaries.

Barnes' legislation will be taken up by his subcommittee today in open session.

Critics charge that the Boland amendment provided the administration with a loophole that could claim that its intent in helping



Fowler



Casey

the anti-Sandinista forces was never to overthrow the Sandinistas but simply to interdict Sandinista arms shipments to El Salvador — the primary goal of the operation presented to and authorized by the congressional intelligence committees.

The Barnes legislation would close the loopholes of the Boland amendment and have the practical effect of banning all U.S. aid to the counterrevolutionaries.

Said one critical administration official: "Without acknowledging that we are involved in something right now, the Barnes provision would be so sweeping that again the United States would seem powerless, adrift and weak in the eyes of Cuba, and the Sandinistas and the guerrillas in El Salvador would be laughing at us. . . . We would lose face and eventually we might lose Nicaragua and the rest of Central America to the Communists."

The official said the Barnes bill also could severely restrict what he termed legitimate military aid to the Honduran armed forces; reduce the number of advisers in Honduras; and preclude the establishment of U.S. military installations on Honduran soil — an option the Pentagon has been considering as a counterweight to Soviet and Cuban military construction in Nicaragua.

The House Intelligence Committee will also consider legislation proposed by Rep. Wyche Fowler (D., Ga.), chairman of the panel's oversight and evaluation subcommittee. It would give Congress the power to stop a covert operation should it appear to be getting out of control.

Fowler complained last week that although the CIA had technically complied with requirements of the law, the administration apparently had withheld from the intelligence committees several documents related to Central America.

Fowler and other liberal committee members want top-level officials — including CIA Director William Casey and John Negroponte, U.S. ambassador to Honduras — to appear before the committee under oath at the hearings beginning Wednesday.

Rep. Lee Hamilton (D., Ind.), another House Intelligence Committee member, Monday released a staff document containing 12 options expected to be discussed at the committee's Wednesday session. All the options offered would seek to persuade President Reagan to call off or severely curb U.S. support for the covert operations against Nicaragua.

The most severe options proposed include complete disclosure by the committee of the covert operation in conjunction with a resolution disapproving of it; elimination or severe limitation of congressional funding for the operation; elimination of the CIA's contingency fund to preclude unauthorized continuation of the covert activities; and a vote to restrict by law the types of covert operations that may be authorized in the future.

The Senate Intelligence Committee, in a special closed hearing today, will review a report on CIA activities in Central America submitted by Sen. Patrick Leahy (D., Vt.), a committee member.

The classified study is said to detail the Nicaragua operation from its inception to the present and includes "evidence" of how the CIA may have circumvented the Boland amendment.

Confronted with increasing congressional concern about the covert operations in Central America, administration officials insist that the CIA has honored the Boland amendment and that the original intent of the covert operation remains unchanged. The operation is said to be aimed at the interdiction of Salvador-bound Sandinista arms.

UNITED PRESS INTERNATIONAL
12 April 1983

NICARAGUA - U.S.
BY PATRICIA KOZA

WASHINGTON (UPI) -- CIA DIRECTOR WILLIAM CASEY ASSURED THE SENATE INTELLIGENCE COMMITTEE IN SECRET SESSION TUESDAY THAT AMERICAN ASSISTANCE TO INSURGENTS IN NICARAGUA DOES NOT VIOLATE U.S. LAW, A KEY SENATOR SAID.

SEN. BARRY GOLDWATER R-ARIZ., CHAIRMAN OF THE COMMITTEE, SAID THAT, ON THE BASIS OF WHAT CASEY TOLD THE COMMITTEE, THE CIA AID TO THE INSURGENTS DOES NOT CONTRAVENE 'THE LETTER OR THE SPIRIT' OF THE LAW THAT FORBIDS ASSISTANCE FOR THE PURPOSE OF OVERTHROWING THE NICARAGUAN GOVERNMENT.

THOMAS ENDERS, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS, WHO TESTIFIED BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE AT THE SAME TIME, REFUSED TO PUBLICLY ANSWER POINTED QUESTIONS ABOUT NEWS REPORTS THAT THE UNITED STATES IS FINANCING INSURGENTS IN NICARAGUA.

GOLDWATER SAID HE CALLED TUESDAY'S SESSION OF HIS PANEL BECAUSE OF THE 'CONFUSION AND THE MISINTERPRETATION IN THE PRESS' OVER WHETHER THE CIA IS WORKING WITHIN THE FRAMEWORK OF THE LAW IN ITS 'ALLEGED COVERT ACTION ACTIVITIES' AGAINST THE SANDINISTA GOVERNMENT IN NICARAGUA.

THE LAW IN QUESTION, ADOPTED LAST YEAR, PROHIBITS THE CIA AND THE DEFENSE DEPARTMENT FROM PROVIDING AID TO THE INSURGENTS FOR THE PURPOSE OF UNSEATING THE GOVERNMENT IN NICARAGUA OR PROVOKING A MILITARY EXCHANGE BETWEEN NICARAGUA AND HONDURAS.

"THUS, A KEY ELEMENT OF THIS LAW RELATES TO THE PURPOSE OF THE U.S. GOVERNMENT AND NOT TO THE EXPRESSED PURPOSE OF THE RECIPIENTS OF ANY SUCH SUPPORT," GOLDWATER SAID.

THE VETERAN HARD-LINER ADDED: 'I AM CONVINCED THAT NO SUCH ACTIVITIES ARE BEING UNDERTAKEN BY THE U.S. GOVERNMENT FOR THE PURPOSE OF OVERTHROWING THE GOVERNMENT OF NICARAGUA OR FOR PROVOKING A MILITARY EXCHANGE BETWEEN NICARAGUA AND HONDURAS.

"THE DIRECTOR OF CENTRAL INTELLIGENCE HAS RECONFIRMED THIS TO ME TODAY, AND I AM SATISFIED THAT THE AGENCY IS NOT VIOLATING THE LETTER OR THE SPIRIT OF THE BOLAND AMENDMENT (THE LAW).

AT THE OPEN FOREIGN RELATIONS COMMITTEE HEARING, CHAIRMAN CHARLES PERCY, R-ILL., ASSURED ENDERS THAT HE DID NOT EXPECT HIM TO PROVIDE SUCH ANSWERS IN OPEN SESSION. BUT SEVERAL DEMOCRATS QUOTED RECENT NEWS REPORTS ON THE ISSUE AND ASKED ENDERS TO REPLY.

CONTINUED

Congress Vs. the CIA

Congress has ruled that the Reagan administration cannot use federal funds to topple the government of Nicaragua. But where there's a will, there's usually a way. NEWSWEEK has learned that the CIA has already exhausted the \$19 million originally earmarked for support of Nicaraguan exiles based in Honduras. The agency has also told Congress that it is spending an additional \$11 million from a secret fund to support the contras. The CIA continues to insist that the exiles' mission is simply to cut the flow of arms from Nicaragua to leftist rebels in El Salvador. But Congress increasingly believes that the insurgents—and the CIA's—real aim is to bring down the Sandinistas.

Congress clearly doesn't share the administration's enthusiasm for the secret war. The CIA has argued that its backing of the paramilitary forces does not skirt the congressional restrictions which effectively bar the use of federal funds to overthrow the Sandinistas. But to legislators from both parties, that interpretation sounds disingenuous. And the questionable use of congressionally restricted money has provoked what Sen. Daniel Patrick Moynihan, vice chairman of the Senate Intelligence Committee, describes as a "crisis of confidence... between the committee and the intelligence community."

The administration seems to be worrying more about improving the image of the contras than about congressional restraints on paying for their activities. The CIA has pressed the leaders of the Nicaraguan Democratic Force (FDN) to disavow their ties to the late dictator Anastasio Somoza Debayle and to make efforts to bar the enlistment of his notorious police. Also at the

CIA's surging, the FDN has included several opponents of Somoza and even one apostate Sandinista in its seven-member directorate. In spite of those cosmetic efforts, the links between the FDN and the old Somoza government run deep. Most of the top guerrilla leaders and the best-trained fighters were once members of the dictator's National Guard. If against the odds the FDN succeeds—the hard-core Somocistas may push aside moderates and restore a right-wing dictatorship.

Whatever the case, the Reagan administration considers the \$30 million, most of which has gone to buy arms, communications gear and training for the exiles, well spent. "They can operate on their own inside Nicaragua now," said one U.S. official, "and they're growing stronger."

Old Suspicions: Congress has few illusions about the Sandinista government. "They betrayed their own revolution," said Moynihan. "They are not nice people." But if the administration wants money to overthrow them, the senator argued, it should have asked Congress to change its restrictions. By being evasive, the administration has only eroded the working relationship between CIA Director William Casey and members of the intelligence committees. Worse, the situation has brought back some of the old suspicions that led to the painful period of hearings on CIA abuses in the 1970s. Now Congress may again try to tighten the leash. The Senate Intelligence Committee will make a thorough review of U.S. intelligence forces in Central America. And this week a House subcommittee headed by Rep. Michael Barnes, a Maryland Democrat, will try to toughen congressional restrictions—this time to avoid language that opens any loopholes for "misinterpretation" of its clear intent.

KIM ROGAL with JOHN WALCOTT and JOHN J. LINDSAY in Washington

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ON PAGE A-3

NEW YORK TIMES

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Around the World

Casey and Ky Dined In Manila, Photo Shows

MANILA, April 9 (Reuters) — William J. Casey, the Director of Central Intelligence, dined with former Vice President Nguyen Cao Ky of South Vietnam at the presidential palace here, according to an official photograph published in local newspapers today.

Captions said the dinner was held by Imelda R. Marcos, wife of President Ferdinand E. Marcos.

The newspapers did not say when the dinner occurred, but diplomatic sources said Mr. Casey was to have been in Manila last Wednesday.

Special to The New York Times

WASHINGTON, April 9 — The Central Intelligence Agency declined to comment today on reports that Mr. Casey had visited Manila. Dale Peterson, the agency's spokesman, said, "It is the policy of the Central Intelligence Agency not to comment on the Director's travel plans and arrangements."

9 APRIL 1983

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MANILA

Meeting

The Director of the U.S. Central Intelligence Agency, William Casey, dined with former South Vietnamese Vice President Nguyen Cao Ky at the presidential palace in Manila, according to an official photograph published in local newspapers today.

Captions said the dinner was hosted by Imelda Marcos, wife of the Philippines president.

The newspapers did not say when the dinner took place, but diplomatic sources said Casey was to have been in Manila last Wednesday.

The U.S. Embassy refused all comment on the visit of Casey who was pictured with his wife.

U.S. ignoring covert-activity curbs, lawmaker says

By ALFONSO CHARDY
 Herald Washington Bureau

WASHINGTON — A key House Intelligence Committee member Thursday joined mounting opposition to U.S. covert activities in Central America, accusing the Reagan Administration of ignoring congressional restrictions that prohibit efforts directed at the overthrow of Nicaragua's Sandinista government.

Rep. Wyche Fowler (D., Ga.), chairman of the House Intelligence Committee's oversight and evaluation subcommittee, told a Capitol Hill news conference that he would introduce legislation to tighten congressional control of intelligence activities abroad.

The legislation, he said, would give congressional intelligence oversight committees power to stop runaway operations, which he suggested was the case with Nicaragua.

Earlier in the week, Sens. Daniel Patrick Moynihan (D., N.Y.) and Patrick Leahy (D., Vt.), members of the Senate Intelligence Committee, told fellow senators that they feared U.S. activities had gotten out of hand.

Fowler's criticism, however, was by far the sharpest yet heard.

The congressman, who returned last week from six days in Panama, Nicaragua and El Salvador, told reporters that "the law of the land ... is not being fully adhered to."

"No branch of our government may pick and choose which statutes it will obey," Fowler said. "If the law is being violated, the Congress has a clear responsibility to bring our government into compliance or to change the law."

Intelligence Committee sources said Fowler's decision to go public with his concerns reflected the gravity of the situation as he sees it.

There are indications as well of growing concern and some opposi-

tion to the covert activities within the Reagan Administration itself, particularly among middle-level State Department officials involved in Latin American affairs. They are said to have expressed their reservations both to influential legislators and to the White House.

Under restrictions imposed by congressional oversight committees, the administration was authorized only to fund anti-Sandinista forces who were trying to stop the flow of Nicaraguan arms to leftist rebels in El Salvador. Efforts directed at the overthrow of the Nicaraguan government were prohibited.

The same restrictions became law last December as an amendment attached to a defense appropriations bill. The amendment was sponsored by Rep. Edward Boland (D., Mass.), chairman of the House Intelligence Committee, and became known as the Boland Amendment.

Fowler said his aides had contacted Boland, who was in Hong Kong en route to China, and had received assurances that the House Intelligence Committee would convene next week to discuss ways to rein in the administration's Nicaraguan operation.

The operation has raised anew the question of closer control of covert activity, Fowler said, prompting him to introduce legislation aimed at strengthening those controls.

"The time has come for the Congress to set out publicly, in statute, what the standards are going to be for covert actions and I will be introducing such legislation in the House," he said.

He said his bill would "define under what conditions covert actions may take place, when such activity is essential to national security and is fully consistent with our publicly avowed foreign policy, when the anticipated benefits outweigh the potential risks and when the circumstances require extraordinary means."

Fowler said it would also contain a "formal mechanism" allowing congressional oversight committees "to disapprove such operations."

Fowler said that he and other committee members had had misgivings about the Nicaragua operation since they were first briefed on it by CIA Director William Casey and other administration officials.

But, he said, the intelligence panels went along with the administration because they received assurances that the principal goal was to stop the arms flow to Salvadoran guerrillas and not to undermine or overthrow the Sandinista government.

The Boland Amendment, said Fowler, was the first warning to the administration that some in Congress thought it might be going beyond its stated intentions in Nicaragua.

Now, Fowler said, he is convinced that the anti-Sandinista forces financed by the United States are not interested in interdicting weapons, but in ousting the Sandinistas.

"The newspaper reports, television reports, public discussions, and by my discussions with top officials in our government, the conclusion is that under the best of circumstances, the Boland Amendment is not being fully adhered to."

He said further evidence was provided by The New York Times, which on Thursday published a classified summary of a National Security Council meeting in which the covert action was discussed.

Fowler said the document, as published by The Times, had never been made available to the intelligence committees, although the administration was under no legal obligation to do so.

Finally, Fowler said, lacking "clear standards" of a "well-defined role" for congressional review of covert activity, the CIA had not told the intelligence panels everything it was doing in Central America.

UNITED PRESS INTERNATIONAL
5 APRIL 1983

By ELMER W. LAMMI
WASHINGTON
Ethics

Supporters of the Office of Government Ethics set up under a 1978 law told Congress Tuesday the agency has been a success and should be continued beyond its "sunset" date of September 30.

Appearing at House hearings to urge passage of legislation to extend the agency's life were its current acting director, its former head and a spokeswoman for Common Cause.

Acting Director David Scott told a House civil service subcommittee the office had "successfully fulfilled" its duty in setting guidelines for avoiding conflicts of interest by government officials.

He said a five-year extension, as proposed in a pending bill, would allow a review of the office's activities while retaining "sufficient independence for effective performance."

J. Jackson Walter, who was named as the office's first director by President Carter, endorsed the bill but said making the office permanent would make it "even better" by lessening its dependence on the administration.

"I believe the record of achievement by the office fully justifies this endorsement and that we are here today in part to celebrate a success," Walter said.

Also calling for an extension was Ann McBride, vice president of Common Cause.

But Ms. McBride called for a 10-year-extension, rather than five years, and warned of alleged attempts "to gut the law" by administration officials.

"In this context," she said, "it is particularly incumbent on President Reagan to nominate a person of unquestioned integrity who is fully committed to the mission of the Office of Government Ethics and who will actively and vigorously implement existing ethics laws and regulations."

She said the naming of a successor to the acting director would be "a key test for the Reagan administration, which has had far from a stellar record on matters of conflict of interest."

She cited allegations of conflicts of interest by Attorney General William French Smith, CIA Director William Casey and Environmental Protection Agency officials. The office also recently cleared Michael Deaver, Reagan's deputy chief of staff, of any conflict of interest in writing a diet book while in office.

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WASHINGTON POST
 2 APRIL 1983

Synfuels Corp. to Commit \$15 Billion to Projects

By Milton R. Benjamin
 Washington Post Staff Writer

The Synthetic Fuels Corp., which has not spent a dime on developing U.S. energy resources since it was founded in the wake of the 1979 oil crisis, plans to commit all \$15 billion that Congress gave it to projects in the next nine months, according to its chairman.

Edward E. Noble, who as head of the Reagan administration transition team recommended shutting down the corporation before President Reagan named him to run it, said he expects to offer financial packages to a half-dozen oil shale and coal gasification projects that may each exceed the record \$1.5 billion Chrysler loan guarantee.

The inducements to encourage companies to build synthetic fuel plants include not only loan guarantees for up to 75 percent of the investment, but also price supports that promise a company more than double the current market price of oil or gas for the first 30 million barrels each plant produces.

Noble noted that in the midst of a worldwide oil glut and falling oil prices, and with a variety of other interests competing for federal tax dollars, many people suggest that this may not be the time to launch a costly effort to develop synthetic fuels.

"But I think that now, when we don't have a crisis, the lead time is so great that we must go ahead to show the rest of the world that we can" exploit oil shale, tar sands and coal, which account for 90 percent of America's energy reserves, Noble said in an interview.

Noble conceded, however, that while Congress was told in 1980 that a synfuels industry could be created largely by offering private companies loan guarantees that "would cost the taxpayer little or nothing," it now is necessary to offer price guarantees that will cost taxpayers \$7 billion to \$10 billion.

Other senior officials of the Synthetic Fuels Corp. said they felt the price guarantees ultimately would cost the Treasury more like "80 to 90 percent" of the original \$15 billion appropriation.

"I hope we won't spend it all," Noble said. "But I would say we would probably spend half to maybe 70 percent of the money. But these things that we are talking about, even if we spend the money, will impact the budget very little until 1987 and out."

The projects Noble expects to attract will be far smaller than the large commercial plants Congress envisioned when it passed the Energy Security Act. If all are operating as planned by 1991, officials say that even then they will produce only about one-third of the 500,000 barrels of fuel a day mandated by the law for 1987.

"Those goals were pretty unrealistic," Noble said. "You have to remember it was done in a time of crisis or panic."

Instead of attempting to launch huge 50,000-barrel-a-day synthetic fuels plants, the corporation now is attempting to find companies that will build a 10,000-barrel-a-day oil shale plant by 1990 and a similar-sized coal gasification plant by 1991. In each case it would provide loan guarantees of up to \$1.6 billion that could be converted into price supports upon completion of the plant.

Although oil prices have fallen steadily over the last couple of years to a current average of under \$29 per barrel, the Synthetic Fuels Corp. is offering price supports that will guarantee up to \$67 in 1983 dollars per barrel, for the first 30 million barrels, to companies willing to build oil shale plants.

In a market where high-BTU (British thermal units) natural gas—the type people use in their homes—is expected by government analysts to sell this year at an average of \$4.30 per thousand cubic feet, the Synthetic Fuels Corp. is offering up to \$11 per thousand cubic feet to companies willing to build a plant that will convert coal into this type of gas.

Noble said that, in addition to launching three coal plants and three or four oil shale plants, the corporation hopes to make commitments to six to eight tar sands and heavy oil projects.

Paradoxically, the first contract that the Synthetic Fuels Corp. awards appears likely to go to a plant using none of these resources. Officials said they expect to award a \$465-million contract in about a month to a North Carolina project that will convert peat into methanol.

A number of congressional critics have been particularly outraged over that plan, noting that peat is not one of the nation's major energy resources. CIA Director William J. Casey is one of the investors in the North Carolina project.

"I had a lot of agonizing about that project," Noble conceded. "But in relative terms, it's not that big a project. And the technology can be utilized with lignite and coal as well as peat."

Rep. Tom Corcoran (R-Ill.), a leading foe of the Synthetic Fuels

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